

FILE COPY

IN THE SUPREME COURT OF THE STATE OF ALASKA

ANDREW L. BAUGH,

Appellant,

v.

ABBIE M. BAUGH,

Appellee.

Supreme Court No. S-17740

Trial Court No. 3AN-18-06569 CI

APPEAL FROM THE SUPERIOR COURT,
THIRD JUDICIAL DISTRICT AT ANCHORAGE
THE HONORABLE ERIC A. AARSETH

EXECUTIVE EXCERPT
VOLUME I OF I

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Filed in the Supreme Court
of the State of Alaska
this 21st day of
August, 2020.

By: 

Deputy Clerk

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EXECUTIVE EXCERPT

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PRENUPTIAL AGREEMENT OF

ANDY BAUGH

And

ABBIE WITTKE

December 7, 2006

PRENUPTIAL AGREEMENT

THIS AGREEMENT is between ANDY BAUGH (hereinafter referred to as "Husband") and ABBIE WITTKE (hereinafter referred to as "Wife").

1 WITNESSETH

WHEREAS the parties make the following recitals to each other:

1.1 Husband is a resident of the State of Alaska, residing in Girdwood Alaska. He is 37 years old.

1.2 Wife is a resident of the State of Alaska, residing in Girdwood. She is 35 years old.

1.3 The parties plan to marry on December 7, 2006. The parties began sharing a residence in March 2002. Husband and Wife have had discussions concerning the basis and terms of a prenuptial agreement since May 2006 and agreed in principal to the execution of a prenuptial agreement. Their discussions were reduced to writing and a draft of the prenuptial agreement was reviewed by both parties on December 3, 2006.

1.4 Husband receives income by reason of his ownership interest in Frontier Films in the amount of \$30,000 in 2004, 2005.

Wife is familiar with Husband's income and has examined or been offered the opportunity to examine such documents as are satisfactory to her for purposes of determining whether she wishes to enter into this Agreement.

1.6 Wife is presently employed in part-time work related to construction for the past two years. Her income for 2005 was approximately \$20,000. Her income for 2004 was \$10,000. Her income for 2003 was \$10,000.

1.7 After the marriage the parties will be living in Girdwood Alaska. Husband is familiar with Wife's receipts and income and has examined or been offered the opportunity to examine such documents are satisfactory to him for purposes of determining whether he wishes to enter into this Agreement.

1.8 Husband and Wife each contemplate that the other will work during the marriage. Husband's career as an Film Maker is established. He neither desires nor requires the services/flexibility of a homemaker to enhance or bolster his career.

1.9. In the event that children are born of the marriage, Husband neither expects nor desires that Wife will cease employment or in any other way sacrifice her earning capacity in the care of the children. Both parties intend to support the other's career by providing for professional, work-related child-care.

1.10. Husband and Wife each acknowledge that prior to entering into this Agreement, they have frankly and honestly discussed the conditions of their estates, their assets and liabilities, and made a full disclosure, one to the other, of all assets and liabilities, including approximate values and the amount of obligations owed, and of all the rights conferred by law on each in the estate of the other by virtue of such proposed marriage. Husband and Wife have exchanged copies of their respective corporate and personal tax returns for the last three years. Each party represents to the other that the assets and liabilities set forth on Exhibits "1" and "2" represent a disclosure of substantially all assets and liabilities owned and/or owed by each party and that if any assets and/or liabilities are not listed, they are not significant.

1.9 It is understood that the estimates of fair market value are not based upon appraisal and therefore may be erroneous; however, the estimates furnished are the best opinion of the person making the estimate. It is also understood that the listing of liabilities may be inaccurate to some extent because each of the parties has accounts in progress for which billings or monthly statements have not been received or because the

precise amount of the indebtedness is unknown however. The estimate is the best opinion of the person making the estimate.

1.10 The parties do not intend that this Agreement rest upon the estimations being wholly accurate: rather, the parties are attempting to provide a good faith disclosure of their respective estimated financial positions. It is further agreed that each party knows that this Agreement need not be executed by that party should there be any question about the accuracy or sufficiency of the disclosure. Any inaccuracy in estimation, or omission, shall not be a ground to revoke this Agreement and each of the parties waives any such inaccuracy on estimation, or any omission: provided further, however, that neither party waives any right to revoke or seek other legal or equitable remedy for any knowing or intentional failure to provide material information or material misrepresentation.

1.11 The parties specifically want to avoid legal rights that each of them would have under statute and case law of the State of Alaska or any other state where they may reside hereafter that may arise by reason of their marriage and which, except for the operation of this Agreement, each of them would acquire incident to their marriage. The parties have each had an opportunity to discuss the provisions of this Agreement with their respective counsel, have had the provisions of the Agreement explained to him/her, have had their legal rights explained to him/her under the law without this Agreement, have had explained to him/her the effect of this Agreement on their legal rights under statute and case law, and have disclosed all financial information referred to in this Agreement to their respective attorneys. Each party acknowledges that they have had sufficient time to review the Agreement and to consult with their attorney prior to signing this Agreement. Each party acknowledges that neither has been under any undue influence or compulsion to sign this Agreement and each are signing this Agreement as their own free and voluntary act.

1.12 The parties intend to plan for the acquisition of a community estate by mutual contribution.

1.13 The parties intend to plan for the acquisition and enhancement of their respective separate estates.

1.14 It is the parties' desire to enter into an Agreement that will remain in full force and effect during their marriage and upon its termination.

2 AGREEMENT

NOW, THEREFORE, in consideration of the marriage of the parties and the mutual promises contained herein, it is hereby agreed as follows:

2.1 Recitals: The parties agree that they are relying upon the recitals set forth above in entering into this Agreement.

2.2 Access to Information. Each of the parties to this agreement stipulates that he/she has had full and complete access to all information concerning assets and liabilities and has made such examination or inquiry as he/she deems appropriate to satisfy any inquiry he/she may have. The parties have known one another for some time and are generally familiar with the assets and liabilities of each. Each party is aware that he/she may seek the opinion of appraisers, accountants, attorneys or other qualified persons to evaluate the assets and liabilities of the other and each agrees that the failure to do so prior to execution of this agreement constitutes a waiver by that party to make complaint at a later time that there was a lack of knowledge or accurate information.

2.3 Husband's Property. All of the estate and property, both real and personal, beneficial interest, powers of appointment and revocation of all other property, rights and interest of every kind or nature whatsoever, now owned or possessed by Husband as set forth in Exhibit "1", or which he may hereafter acquire or become entitled to hereafter by gift, devise, bequest or descent, or from the income, rents, royalties and profits arising thereof, in increments and accumulations thereto or acquired with the proceeds of any

such property are and shall remain his sole and separate property throughout his marriage to Wife, subject entirely to his individual ownership, control and management to hold, sell, convey, lease, encumber, and dispose of as if he were not married and Wife shall not acquire by virtue of such marriage for herself, or her creditors, heirs, executors, administrators or assigns any interest therein or in the use of or control thereof or in the rents, royalties, income and profits arising therefrom, except as otherwise specifically set forth in this Agreement or as otherwise specifically provided by Husband in writing.

2.4 Wife's Property. All of the estate and property, both real and personal, beneficial interest, powers of appointment and revocation of all other property rights and interest of every kind or nature whatsoever, now owned or possessed by Wife as set forth in Exhibit "2", or which she may hereafter acquire or become entitled to hereafter by gift, devise, bequest or descent, or from the income, rents, royalties and profits arising thereof, in increments and accumulations thereto or acquired with the proceeds of any such property are and shall remain her sole and separate property throughout her marriage to Husband, subject entirely to her individual ownership, control and management to hold, sell, convey, lease, encumber, and dispose of as if she were not married, and Husband shall not acquire by virtue of such marriage for himself, or his creditors, heirs, executors, administrators or assigns, any interest therein or in the use of or control thereof, or in the rents, royalties, income and profits arising therefrom, except as otherwise specifically set forth in this Agreement or as otherwise specifically provided by Wife in writing.

2.5 Not Used

2.6 Community Contributions. The parties intend that during the marriage, each of them will continue working outside the home for the purpose of earning income for the benefit of the community. To pay family and other community expenses, and for the acquisition of a community estate, it is agreed as follows:

2.6.1 The parties shall open one or more joint checking and savings accounts. Any such joint account shall be considered to be community

property. The funds in the account shall be used to pay family expenses and for other community property purposes. Neither party shall expend any funds from the joint accounts for any purpose related to his/her separate property or separate liabilities or obligations without the consent of the other spouse, except as otherwise required by law.

2.6.2 The parties agree that a fair and reasonable compensation for the community shall be 50% of each party's earnings by reason of employment or personal services up to \$250,000 each per year, except that in any partial year, the income shall be pro rata by month (maximum community income is \$20,833 per party per month). The remaining income and income from separate assets shall be the separate property of the party in whose name it stands.

2.6.3 Contributions to a party's retirement account(s) after the date of marriage from shall be considered community property if from community earnings and separate property if from separate income. Retirement accounts pre-existing the marriage and any income earned thereon shall continue to be that respective party's separate property.

2.7 Community Assets. All assets acquired by use of the community accounts shall be community property. To the extent possible the title/bill of sale to any such assets shall be taken in the name of both parties as community property.

2.8 Commencement of Community Estate. On marriage and the execution of this Agreement, Husband agrees to transfer from his separate estate the sum of \$10,000 to the Community which funds shall be placed in the community savings account identified in paragraph 2.5.1 herein.

2.10 Primary Residence. At the current time the parties intend to occupy the residence located at 128 DAVOS ROAD, GIRDWOOD ALASKA described in Exhibit "1" as their primary residence. The residence was acquired by Husband in his sole name prior to the marriage and the parties agree that it is his separate property and will remain his separate property after marriage.

2.1 1 Investment in Property. With respect to (1), the investment of property of one character into property of another character subsequent to its acquisition, (2), the investment of community labor in either party's separate property. or (3) the acquisition of property partly with funds from one or both parties' separate estates and/or with funds from the community estate and/or from a party's separate credit and/or community credit. the following rules shall apply:

2.1 1.1 If property is acquired partly with the separate property of either or both parties. and/or partly with community property, and/or acquired partly with either party's separate credit and/or community credit, then such property shall be owned in proportion to the respective investment by each party's separate property/credit and/or the community property/credit, as applicable. Such property shall be titled, "Husband, a married man, as his separate property, as to an undivided -% interest; Wife, a married woman, as her separate property, as to an undivided -% interest; and Husband and Wife, as their community property, as to an undivided % interest."

2.1 1.2 Except as otherwise provided in the prior paragraph, if funds of one character are invested in property of another character subsequent to the acquisition of such property, such investment shall be deemed a gift unless the parties execute a promissory note or other written document demonstrating that the investment creates a right of reimbursement. The invested funds shall not entitle the contributing estate (whether the community or one party's separate estate) to any ownership interest in the property, unless the parties otherwise provide in writing.

2.1 1.3 All contributions of community labor to either party's separate property shall be deemed a gift by the non-owning party to the party who owns the separate property.

2.12 Property Instruments. Each of the parties agrees to execute, sign, seal, acknowledge and deliver, up request, but at the expense of the requesting party, any and all deeds, deeds of trust, or other instruments that may be required to convey or encumber the property of the other or to extinguish any right of dowry, courtesy, statutory share or inheritance in each other's estate in order to give full effect to any and all provisions in this Agreement. Each party shall, upon the request of the other, execute and acknowledge and deliver to the other, any and all instruments necessary and appropriate to carry into effect the purpose and effect of this Agreement. The parties understand that from time to time each of them may be required to sign documents to permit the other to manage his/her separate property, including but not limited to purchasing, selling, rental, financing, remodeling, demolition, and any other changes to his/her separate estate. By signing any such documentation, including, but not limited to financing for loans. And/or signing a quit claim deed to clear title, such act shall not create or be deemed to be evidence of an interest in or a right against the other party's separate property.

2.10 Gifts. It is further agreed that nothing contained herein shall be construed to be a bar to either party giving to the other party as his/her separate property by gift, Will, trust or otherwise in writing, any property or the right to receive income therefrom which he or she may possess as of the date of their marriage or thereafter. or any property they may acquire subsequent thereto by gift, bequest, devise or descent or with the rents, issues and profits thereof, each part, from his/her separate property, may provide financially to the other such as shelter, food, clothing, health and other insurance, and that any such contribution shall be deemed a gift to the other and will not create a right against the other for support or any right to a lien or for reimbursement. The parties agree that by making such contributions from one to the other that they shall not be deemed to have rescinded the provisions of this Agreement nor that such assistance entitles either

party to any rights or obligations under the laws and statutes of the State of ALASKA or and other state wherein the parties may reside hereafter.

2.11 Liens. The skill, judgment, and labor expended by Husband and Wife in managing, maintaining, repairing, dealing with, investing and/or otherwise acting with respect to his/her separate property identified in Exhibits "1" and "2" shall not entitle the other to any lien, claim, right, compensation, or interest in said separate property or against its owner, except as otherwise provided herein.

2.12 Effects of Commingling. The occurrence of commingling or the failure to segregate the separate property or separate income of either party shall not change or constitute a change of character of that property, nor shall it constitute a transmutation of that separate property or income into community, quasi-community, joint, marital, or similar type of property, provided further, however, that to the extent separate property is placed into one or more of the joint accounts, such separate property shall become community property absent contemporaneous agreement characterizing the transaction as a loan.

2.13 Separate Debts, Obligations and Liabilities: Except as otherwise provided herein, each party further agrees that each shall be and remain solely responsible for his or her separate debts, obligations and liabilities, whether fixed or contingent, incurred prior to or after their marriage. Each party shall indemnify and hold the other harmless, including the marital community, from all liabilities now owed by him or her or hereafter incurred or arising out of his or her separate property and/or separate debts and obligations.

2.14 Taxes: Husband and Wife intend to file tax returns using the status which is most advantageous to the parties for tax purposes. In the event a party must report separate income on a joint tax return, then the party reporting that separate income shall be responsible for paying the proportionate share of taxes incurred on the separate income reported on the return.

2.15 Pre-Marriage Cohabitation. The parties shared a residence before marriage, but agree that they did not accumulate any property together. It is agreed that any contributions of either party from his/her earnings towards joint expenses during any period of any alleged pre-marriage cohabitation constitutes a fair and reasonable compensation to the community. Each party hereby waives any and all future claim that said contributions did not fairly compensate the community for this period.

2.16 Change in Status: Either party may make such provisions for the distribution of his/her separate property as he or she may determine, except as otherwise provided:

2.16.1 Husband's Property at Death: All of Husband's separate property, real and person, beneficial interests, powers of appointment and revocation, and all other property rights and interests which Husband may have at the time of his death, or to which he or his estate may be entitled or over which he may now have any power of appointment or revocation at the time of his death, shall pass to his heirs at law (other than Wife) or as he may previously have directed or may hereafter direct by written instrument during his lifetime, by Last Will and Testament or otherwise, without any right or claim made by Wife as surviving spouse and Wife, in case she survives, hereby waives, releases and disclaims any and all rights or claims she may now have or hereafter acquire under the present or future laws of the State of ALASKA or any other jurisdiction to share in the estate and property of Husband as a result of the marital relationship. Including but not limited to the extent not prohibited by law, dower, courtesy, statutory share, surviving spouses allowances, equitable lien rights, quasi-community property benefits, homestead rights, award in lieu of homestead rights, any right to take in intestacy, any right to claim a portion of Husband's estate under RCW 11.12.050, and right of election to take against Husband's Last Will and Testament and any right to act as personal representative of his estate; provided, however, that such waiver and release shall not affect Wife's rights

in and to her one half (1/2) share of the community property accumulated during the marriage.. Husband shall also make a Last Will and Testament bequeathing to Wife the family residence in which the parties are living at the time of his death, subject to the mortgage thereon, as her separate estate at his death.

2.16.2 Wife's Property at Death: All of Wife's separate property, real and personal. beneficial interests, powers of appointment and revocation, and all other property rights and interests which Wife may have at the time of her death, or to which she or her estate may be entitled or over which she may now have any power of appointment or revocation at the time of her death, shall pass to her heirs at law (other than Husband) or as she may previously have directed or may hereafter direct by written instrument during her lifetime, by Last Will and Testament or otherwise, without any right or claim made by Husband as surviving spouse and Husband, in case he survives, hereby waives, releases and disclaims any and all rights to claims he may now have or hereafter acquire under the present or future laws of the State of Washington or any other jurisdiction to share in the estate and property of Wife as a result of the martial relationship, including but not limited to the extent not prohibited by law, dower, courtesy, statutory share, surviving spouses allowance, equitable lien rights, quasi-community property benefits, homestead rights, award in lieu of homestead rights, any right to take in intestacy, any right to claim a portion of Wife's estate under RCW 11.12.050. any right of election to take against Wife's Last Will and Testament and any right to act as personal representative of her estate: provided however, that such waiver and release shall not affect Husband's rights in and to his one-half (1/2) share of the community property accumulated during the marriage. Wife shall make a Last Will and Testament bequeathing to Husband her one half (%) community interest. if any. in the family residence in which the parties are living at the time of her death. subject to the mortgage thereon, as his separate estate at her death.

2.16.3. Life Insurance. So long as the parties are married and living together, the Husband agrees to maintain a life insurance policy, insuring his life, with a face amount of not less than \$250,000 and name the Wife as beneficiary of that policy. The Husband shall not be bound by this provision if financial reversals of the Husband cause the loss serious enough to consider bankruptcy or other major financial adjustment of similar severity.

2.16.4 By Dissolution of Marriage: The parties contemplate a happy marriage for their lifetime together. However, it is agreed that in the event of a separation or termination of the marriage by court order, neither party shall claim any right, title or interest in the separate property of the other, except as otherwise provided herein. In other words, each party shall be entitled to their own separate property and neither party will, be reason of the laws of the State of ALASKA, or any other state in which the parties may reside together, be entitled to or have any interest, title or right, in or against the other party's separate property or the right to have the court order an award in and/or against the other's separate property.

Each of the parties intends to be employed and self-supporting during the marriage. If one party elects not to be employed for any period during the marriage, that party acknowledges that it is at the sole choice and discretion of that party. Both parties acknowledge and agree that any period of voluntary unemployment during the marriage shall not be used as a basis upon which to request maintenance or to seek a disparate award of community property.

Husband and Wife agree that in the event their marriage is terminated by court order, the community property accumulated by the parties after their marriage shall be treated as community property and divided fairly and equitably between the parties pursuant to statute and case law of the State of

ALASKA. The Court shall not take into account, consider or be influenced by any other separate property of either party in making the division of the parties' community estate, provided however, that after ten (10) years of marriage or the birth of a child of the marriage, whichever may first occur, the Court may take into consideration the separate estate of each party in dividing the community estate between the parties. The Court shall not have the authority to consider a reduction in earning capacity by reason of voluntary unemployment during the marriage as a factor in dividing the community property.

Husband and Wife agree that in the event their marriage is terminated by court order, the investment account, if any, established pursuant to Paragraph 2.5 herein, shall be awarded to Wife as her sole and separate property for the purpose of establishing a residence for herself and the parties; child, if any.

Husband and Wife agree that in the event their marriage is terminated by a court order, the community property will be divided in a fair and equitable manner pursuant to the statutes and case law of the State of ALASKA. If Husband dies and still owns home located at 128 DAVOS ROAD GIRDWOOD, ALASKA, the residence shall become sole property of Wife.

In the event that a party is not employed at the date of the parties' separation, and/or divorce, then, and only then, shall the Court have the authority to award maintenance pursuant to statute and case law under the laws of the State of ALASKA, provided, however, that such authority shall be limited in duration to the time reasonably necessary for the unemployed and/or under employed spouse to become re-employed. Both parties agree that by reason of their advanced education, which they each possess, the Court shall not have authority to order maintenance for the purpose of further education. The parties do not anticipate or intend that this provision shall

authorize the Court to provide for long term maintenance of a spouse. The Court shall not have the authority to consider a reduction in earning capacity by reason of voluntary unemployment during the marriage as a factor in determining the amount or duration of a maintenance award. The Court shall not have the authority to award maintenance in lieu of property.

Notwithstanding the foregoing, in the event a party is disabled from working at the time of their separation and/or divorce, the court shall have the power to award maintenance without restriction except that it must be as allowed by statute and case law.

The parties intend that the court shall not have the authority to award attorney fees or costs.

2.17. Changes in Agreement: The parties agree that this Agreement shall not be either amended or terminated orally, except as otherwise provided herein. This Agreement can be amended or terminated only upon the written agreement of the parties executed in writing and notarized and expressly referring to this Agreement.

2.18 Confirmation of Agreement: Within four months after the date of the parties' marriage, the parties shall review this Agreement to ensure that it conforms in all respects with their intentions and understandings regarding their legal rights to separate and community property in the marriage. On completion of the review, the parties shall reconfirm this Agreement in writing by signing and dating and having notarized a new original, with the certification of their respective counsel. Failure to perform this review shall not revoke or otherwise affect the validity of this Agreement.

Every five years beginning with the anniversary of this Agreement, the parties shall review this Agreement to determine whether there after been any substantial changes from the last review which warrant changes to the provisions herein. After the review the parties shall reconfirm this Agreement in writing and include such writing any

changes necessary due to a substantial change in the parties' circumstances. Failure to perform any such review shall not revoke or otherwise affect the validity of this Agreement.

2.19 Independent Counsel: Husband and Wife each acknowledge, represent and warrant that each have had the opportunity to counsel with his/her independent attorney in connection with the formulation, preparation, discussion and execution of this Agreement and all matters incidental thereto and is aware that the Agreement substantially alters the rights he or she would otherwise have under the laws of this and other states

2.20 The parties each acknowledge, represent and warrant that no oral commitments have been made or inducements proposed by either to the other to enter into the marriage contemplated by the parties or into this Agreement, other than the promises of love and affection of each for the other.

2.21 Both parties further agree that this Agreement shall be binding upon the parties hereto, their respective creditors, heirs, executors, administrators, personal representatives and assigns.

2.22 The validity, interpretation, construction and enforceability of this Agreement shall be determined in accordance with and under the laws of the State of ALASKA.

2.23 If any provision of this Agreement is unenforceable or invalid, it is the intention of the parties hereto that the remaining provisions of this Agreement shall nevertheless be carried into effect and shall remain valid and enforceable agreements of the parties hereto.

2.24 This Agreement contains the entire understanding of the parties with respect to their property and obligations one to the other.

2.25 Both parties have had the opportunity to have their independent counsel actively participate in the construction of this document. It is agreed that this document will not be construed against either party.

2.26 It is agreed that the provisions of this Agreement shall be subject to being specifically enforced.

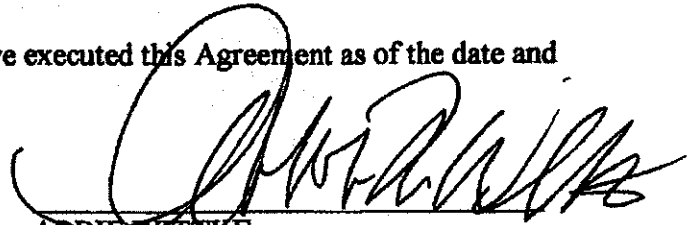
2.27 This Agreement may be executed in counterparts, and each counterpart shall be the Agreement with the same effect as any other counterpart.

2.28 The headings of subdivisions and paragraphs of this Agreement are inserted solely for the convenience of reference and shall have no further meaning, force, or effect.

WARNING:

Each party understands that their legal rights under statute and case law has been changed by this Agreement and that neither will have any rights in the separate property or income of the other, that neither will be entitled to any maintenance from the other or a division of the other's property upon dissolution of marriage or any other rights from the other except as otherwise provided in this Agreement. Husband and Wife understand that each needs to keep separate and segregate and/or trace his/her separate property to avoid commingling of their property and that if he/she fails to segregate and/or trace his/her separate property, that such property will be lost and cannot be recovered from the other party's separate estate and/or the community estate.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date and year first above written.



ABBIE WITTE



ANDY BAUGH

Q John M. Cullen
Mar. 10. 2007
EXHIBIT "1"
Baugh/Whisky
Chris Baugh
Andy Baugh

Property/Debts of Husband				
DESCRIPTION OF ASSETS/DEBTS	Valuation	FMV	DEBT	NET
	Date			VALUE
300 Real Property				
128 Davos Road Girdwood, AK	6-Sep	\$350,000.00	\$200,000.00	\$150,000.00
Alveska North #3 block 5, Lot 13	6-Sep	\$200,000.00	\$0.00	\$200,000.00
Parcel #09010102 US survey #6867 lot 5		\$20,000.00	\$0.00	\$20,000.00
US survey #6867 lot 8		\$50,000.00	\$25,000.00	\$25,000.00
400 Bank Accounts				
Wells account #		\$50,000.00		\$50,000.00
500 Retirement Accounts				
Principal Financial Group Retirement Account		\$30,000.00	\$0.00	\$30,000.00
700 Other Property				
Ford F350		\$10,000.00	\$0.00	\$10,000.00
Furniture/Electronic/Stereo/computers		\$10,000.00	\$0.00	\$10,000.00
Motor Home		\$5,000.00	\$0.00	\$5,000.00
CR250 motorcycle		\$7,000.00	\$0.00	\$7,000.00
Case backhoe		\$10,000.00	\$0.00	\$10,000.00
1985 Argo		\$8,000.00	\$0.00	\$8,000.00
800 Business Entities				
1/3 membership interest in Teton, LLC		\$175,000.00	\$100,000.00	\$75,000.00
1/4 membership interest in Kaanda, LLC		\$1,500,000.00	\$0.00	\$1,500,000.00
1/3 membership interest in Kiona, LLC		\$600,000.00	\$0.00	\$600,000.00
Frontier Films, LLC				\$0.00
900 Liabilities				
2006 Tax Owed			(\$2,000.00)	(\$2,000.00)
TOTAL VALUES				\$2,698,000.00

Abbie Wither

Abbie Wither

EXHIBIT "2"
Baugh/Whitky

Ar Bal
Andy Baugh

Property/Debts of Wife

DESCRIPTION OF ASSETS	Valuation Date	FMV	DEBT	NET VALUE
300 Real Property				
400 Bank Accounts				
credit union		\$2,000.00	\$0.00	\$2,000.00
500 Retirement Accounts				
700 Other Property				
Subaru car		\$10,000.00	\$9,000.00	\$1,000.00
Furniture/Electronic/Stereo/computers		\$2,000.00	\$0.00	\$2,000.00
800 Business Entities				
900 Liabilities				
credit card			-30000	-30000
2006 Tax Owed			(\$1,000.00)	(\$1,000.00)
TOTAL VALUES				(\$26,000.00)

IN THE SUPERIOR COURT FOR THE STATE OF ALASKA
THIRD JUDICIAL DISTRICT AT ANCHORAGE

ABBIE M. BAUGH,

Plaintiff,

vs.

ANDREW L. BAUGH,

Defendant.

FILED in the TRIAL COURTS
STATE OF ALASKA, THIRD DISTRICT

MAY 01 2018

Clerk of the Trial Courts

By _____ Deputy

Case No. 3AN-18- 6569 Civil

COMPLAINT FOR DIVORCE

COMES NOW the Plaintiff, Abbie M. Baugh, by and through the undersigned counsel of record, HOUSTON & HOUSTON, and for her action against Defendant, Andrew L. Baugh, alleges as follows:

I.

Plaintiff is a resident of the State of Alaska. The Defendant is a resident of Alaska.

II.

Plaintiff and Defendant previously lived in a domestic partnership beginning in late 2000 and were subsequently married on December 7, 2006 in Maui, Hawaii, and have since that time been husband and wife.

III.

There were two children born the issue of this marriage, namely: Sloane Amelia Baugh, born July 23, 2008; and Shiloh Dawn Baugh, born November 8, 2011. No children were adopted by the parties. Plaintiff is not currently pregnant.

IV.

It is in the children's best interests and welfare that Plaintiff be awarded legal and physical custody of the children subject to visitation by Defendant. Due to the history of domestic violence, Defendant should have limited visitation pending completion of an appropriate batterers program. Child Support should be established pursuant to Alaska Civil Rule 90.3.

V.

The Defendant is financially able and should pay spousal support to the Plaintiff in a reasonable amount to be determined by this Court.

VI.

Certain property and obligations have been acquired and certain debts and obligations incurred by the parties during the course of the marriage which require adjudication by this Court.

VII.

There has developed since the date of the marriage an incompatibility of temperament between the parties in that their likes, dislikes, and temperaments are greatly divergent; and it has become impossible for them to live together any longer as husband and wife.

VIII.

As a result of the incompatibility of temperament, it has been necessary for the Plaintiff to employ the services of an attorney on her behalf. The Defendant should pay to the Plaintiff's attorney a reasonable attorney's fee to be determined by the Court.

WHEREFORE, Plaintiff prays for judgment as follows:

1. For a decree of divorce dissolving the bonds of matrimony between the Plaintiff and the Defendant;
2. That Plaintiff be awarded legal and physical custody of the parties' minor children subject to appropriate visitation to Defendant, giving consideration to the history of domestic violence and related issues. Child support should be entered pursuant to Alaska Civil Rule 90.3(a);
3. That the Defendant be required to pay spousal support to the Plaintiff in a reasonable amount to be determined by this Court;
4. That the Court make an equitable division of the property and debts and obligations of the parties;
5. That the Defendant pay to Plaintiff's attorney a reasonable attorney's fee in an amount to be determined by the Court;
6. For such other and further relief as the Court may deem just and equitable.

DATED at Anchorage, Alaska this 1st day of May, 2018.

HOUSTON & HOUSTON, P.C.
Attorneys for Plaintiff

By: 

David S. Houston
ABA No 9106038

IN THE SUPERIOR COURT FOR THE STATE OF ALASKA

THIRD JUDICIAL DISTRICT AT ANCHORAGE

ABBIE M. BAUGH,

Plaintiff

vs.

ANDREW L. BAUGH,

Defendant

Case No. 3AN-18-06569 CI

STATE OF ALASKA
JULY 24 PM 1:29
CLERK OF THE JUDICIAL COURTS
BY DEPUTY CLERK

ANSWER TO COMPLAINT FOR DIVORCE AND COUNTERCLAIM

COMES NOW Andrew Baugh, by and through undersigned counsel,
and herewith files his answer to the defendant's Complaint for
Divorce and Counterclaim as follows:

ANSWER

1. The defendant admits paragraph 1 of the plaintiff's complaint.
2. With respect to paragraph 2 of the plaintiff's complaint, the defendant admits that he and the plaintiff were married in Maui, Hawaii on December 7, 2006 but denies the remainder of the paragraph.
3. The defendant admits paragraph 3 of the plaintiff's complaint.
4. The defendant denies paragraph 4 of the plaintiff's complaint.

5. The defendant denies paragraph 5 of the plaintiff's complaint.
6. The defendant admits paragraph 6 of the plaintiff's complaint.
7. The defendant admits paragraph 7 of the plaintiff's complaint.
8. The defendant denies paragraph 8 of the plaintiff's complaint.

COUNTERCLAIM

WHEREFORE, having answered the plaintiff's Complaint for Divorce, the defendant states his Counterclaim as follows:

1. Plaintiff and defendant are residents of the State of Alaska and have been so for more than one year.
2. Plaintiff and defendant were married on the 7th day of December 2006 in the State of Hawaii and have been ever since husband and wife.
3. Two children have been born as issue of the marriage; namely, Sloane Amelia Baugh, d.o.b. July 23 ,2008 and Shiloh Dawn Baugh, d.o.b. November 8, 2011. Both children have resided in the State of Alaska for six consecutive months prior to the filing of the divorcer complaint. The plaintiff is not pregnant and no other children are at issue in this proceeding.

4. It is in the best interests of the children that the parties be awarded joint legal and shared physical custody.
5. The parties entered a prenuptial agreement that should be enforced and followed and governs the distribution of the marital estate.
6. Child support should be awarded pursuant to ARCP 90.3.
7. There is an incompatibility of temperament existing between the parties that has led to a breakdown of the relationship and a continuation of the marriage is not possible.

WHEREFORE, having stated his counterclaim, the defendant prays for the following relief:

1. That the parties each be granted a Decree of Divorce severing the bonds of matrimony heretofore existing between them.
2. That the parties be awarded joint legal and shared physical custody of the minor children at issue.
3. That child support be awarded pursuant to ARCP 90.3.
4. That the assets and debts of the parties be divided pursuant to the parties' prenuptial agreement.
5. For such other and further relief as is just under the premises.

RESPECTFULLY SUBMITTED this 21st day of May, 2018.


Justin Eschbacher

certify that a copy of
the foregoing was (mailed)
(hand-delivered) by:

Elite Courier
to: David Houston
517 W. NL

on the 21 day of May
20 18

ESCHBACHER & ESCHBACHER PC, LAW OFFICES
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IN THE SUPERIOR COURT FOR THE STATE OF ALASKA

THIRD JUDICIAL DISTRICT AT ANCHORAGE

ABBIE M. BAUGH,)
)
Plaintiff,)
)
vs.)
)
ANDREW L. BAUGH,)
)
Defendant.)
_____)

Case No. 3AN-18-065569 Civil

FILED
STATE OF ALASKA
THIRD JUDICIAL DISTRICT
2018 MAY 31 PM 3:14
CLERK OF THE COURT
BY DEPUTY CLERK

ANSWER TO COUNTERCLAIM

COMES NOW the Plaintiff, Abbie M. Baugh, by and through the undersigned counsel of record, HOUSTON & HOUSTON, and in response to Defendant's counterclaims, states as follows:

1. Paragraph 1 of Defendant's counterclaim is admitted
2. Paragraph 2 of Defendant's counterclaim is admitted.
3. Paragraph 3 of Defendant's counterclaim is admitted.
4. Paragraph 4 of Defendant's counterclaim is denied.
5. Paragraph 5 is admitted in part and denied in part. The parties' entered into a prenuptial agreement. The agreement was of limited duration and is no longer in force or effect and it should have no bearing on the distribution of the marital estate..
6. Paragraph 6 of Defendant's counterclaim is admitted.
7. Paragraph 7 of Defendant's counterclaim is admitted.
8. Plaintiff further restates and alleges all averments in her original complaint and specifically denies any claim of Defendant's counter claim not admitted above.

Baugh v. Baugh
3AN-18-06569 CI
Answer to counterclaim
Page 1 of 2

EXC. 28

000040


HOUSTON & HOUSTON
ATTORNEYS AT LAW
517 WEST NORTHERN LIGHTS BLVD.
ANCHORAGE, ALASKA 99503
(907) 278-1015 FAX (907) 278-8603

WHEREFORE, Plaintiff prays for judgment as follows:

1. For a decree of divorce dissolving the bonds of matrimony between the Plaintiff and the Defendant;
2. That Plaintiff be awarded legal and physical custody of the parties' minor children subject to appropriate visitation to Defendant, giving consideration to the history of domestic violence and related issues. Child support should be entered pursuant to Alaska Civil Rule 90.3(a);
3. That the Defendant be required to pay spousal support to the Plaintiff in a reasonable amount to be determined by this Court;
4. That the Court find the parties prenuptial agreement invalid and that the court make an equitable division of the property and debts and obligations of the parties;
5. That the Defendant pay to Plaintiff's attorney a reasonable attorney's fee in an amount to be determined by the Court;
6. For such other and further relief as the Court may deem just and equitable.

DATED at Anchorage, Alaska this 31st day of May, 2018.

HOUSTON & HOUSTON, P.C.
Attorneys for Plaintiff

By: 
David S. Houston
ABA No 9106038

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Baugh v. Baugh
3AN-18-06569 CI
Answer to counterclaim
Page 2 of 2

EXC. 29

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IN THE SUPERIOR COURT FOR THE STATE OF ALASKA
THIRD JUDICIAL DISTRICT AT ANCHORAGE

ABBIE M. BAUGH,

Plaintiff,

vs.

ANDREW L. BAUGH,

Defendant.

3AN-18-06569CI

Order Denying Motion to Declare Prenuptial Void and Unenforceable

Abbie M. Baugh ("Abbie") has moved for this court to order the prenuptial agreement between her and Andrew L. Baugh ("Andy") invalid and unenforceable. Andy opposed. Following the parties' briefing, the court held an evidentiary hearing on motion.

Standard of Review

In Alaska, "prenuptial agreements legally procured and ostensibly fair in result are valid and can be enforced." The Alaska Supreme Court recognized the following three factors courts typically consider when considering whether a prenuptial agreement is valid and enforceable:

1. Was the agreement obtained through fraud, duress or mistake, or misrepresentation of material fact?
2. Was the agreement unconscionable when executed?
3. Have the facts and circumstances changed since the agreement was executed, so as to make its enforcement unfair and unreasonable?

Brooks v. Brooks, 733 P.2d 1044, 1049 (Alaska 1987). The court will uphold a prenuptial agreement when none of the above factors are present. *Id.*

A party seeking to void a contract for duress must show the following three elements by clear and convincing evidence:

- 1) one party involuntarily accepted the terms of another,
- 2) circumstances permitted no other alternative, and
- 3) such circumstances were the result of coercive acts of the other party.

Helstrom v. North Slope Borough, 797 P.2d 1192, 1197 (Alaska 1990). "The assertion of duress must be proven by evidence that the duress resulted from defendant's wrongful and oppressive conduct and not by the plaintiff's necessities." *Totem Marine Tug & Barge, Inc. v. Alyeska Pipeline Serv. Co.*, 584 P.2d 15, 21 (Alaska 1978) (quoting *W. R. Grimshaw Co. v. Nevil C. Withrow Co.*, 248 F.2d 896, 904 (8th Cir. 1957)). Conduct may be considered wrongful if it is wrongful in a moral sense, and depends on the particular facts in each case. *Id.*

Under the Uniform Premarital Agreement Act, "prenuptial agreements in writing and signed by both parties are presumed valid." *Id.* A party may rebut the presumption of validity by proving that:

- (1) That party did not execute the agreement voluntarily; or
- (2) The Agreement was unconscionable when it was executed and, before execution of the agreement, that party:
 - (i) was not provided a fair and reasonable disclosure of the property or financial obligations of the other party;
 - (ii) did not voluntarily and expressly waive, in writing, any right to disclosure of the property or financial obligations of the other party beyond the disclosure provided; and
 - (iii) did not have, or reasonably could not have had an adequate knowledge of the property or financial obligations of the other party.

Findings

Abbie and Andy married December 7, 2006 in Hawaii. Prior to the wedding, Andy expressed that he wanted a prenuptial agreement. The parties first discussed a prenuptial

agreement one month before the wedding, but specific terms of the prenuptial agreement were not discussed between the parties prior to or after the wedding.

The parties arrived in Hawaii for their destination wedding in late November, 2006. Andy first presented Abbie with the proposed prenuptial agreement in Hawaii on December 4, 5, or 6. The preponderance of the evidence supports the conclusion that Abbie did not actually see the terms of the proposed agreement until sometime on December 6. Andy may have left the proposed agreement with Abbie on December 4, but he never discussed it with her to know if she knew the proposed agreement existed, understood the terms, or agreed to the proposed terms or wanted modification.

It is uncontested that Abbie opposed the concept of a prenuptial agreement. It is uncontested that she was demonstrably upset on the evening of December 6 because of the proposed prenuptial agreement. There is no evidence that Abbie was upset during the pre-wedding party the night before the wedding (the "Groom's Dinner"). Considering the totality of the evidence, it is highly unlikely that Abbie was aware of the actual proposed agreement until after the Groom's Dinner, otherwise there would have been discussion about the prenuptial agreement during the dinner.

Abbie signed the prenuptial agreement on December 7, 2006, prior to the wedding. Abbie was more likely than not competent to sign a legally binding contract the day of December 7, 2006, prior to the wedding. Abbie's signature was voluntary, in the sense that she was not coerced. In addition, Abbie does not appear to argue that the terms of the agreement itself are unconscionable.

Abbie had little time to contemplate the terms and consequences of the agreement and was not realistically provided time to review financial disclosures or demand additional disclosures. She did not waive any right to receive additional disclosures.

Analysis

Abbie has not shown that the prenuptial agreement was unconscionable when executed or that the enforcement of the agreement today would be unfair or unreasonable.

Consistent with the holding in *Brooks*, Abbie must then make a showing that the agreement was "obtained through fraud, duress or mistake, or misrepresentation of material fact." Abbie makes no argument of fraud, mistake, or misrepresentation of material fact. Abbie does argue that the totality of circumstances forced her to make a decision under duress.

To prove duress, three elements must be shown by clear and convincing evidence. Abbie has shown by clear and convincing evidence that she did not want to sign the agreement and only did so because she was faced with choosing between getting married or not only hours before the ceremony. Abbie has not shown by clear and convincing evidence that there was no alternative. While choosing not to get married and disappointing over 100 guests would have been an awful moment, Abbie had a choice and was free to make that choice. Abbie was not subject to any coercive acts of Andy. Even assuming the domestic violence allegation is true,¹ there is no behavior alleged by Abbie that Andy ever confronted her about signing the agreement. To the contrary, Andy was effectively absent during the time Abbie was making her decision.

Because Abbie has not met her burden to show duress, the court must uphold the prenuptial agreement.

¹ Push from vehicle injuring her leg.


Conclusion

While the circumstances under which Abbie had to make a decision were unpleasant, they do not constitute duress. As such, Abbie's Motion to Declare Prenuptial Void and Unenforceable is DENIED.

IT IS SO ORDERED.

DATED at Anchorage, Alaska this 25 day of February, 2019.


ERIC A. AARSETH
Superior Court Judge

I certify that on 25 February, 2019, a 
copy was mailed to

D. Houghton / J. Summerville

Zjok Durst, Law Clerk

IN THE SUPERIOR COURT FOR THE STATE OF ALASKA
THIRD JUDICIAL DISTRICT AT ANCHORAGE

Abbie M Baugh,

Plaintiff,

vs.

Andrew L. Baugh,

Defendants.

3AN-18-6569 CI

PROPERTY
FINDINGS OF FACT AND CONCLUSIONS OF LAW

February 25, 2019, this Court issued an order upholding the validity and enforceability of the prenuptial agreement (“the Contract”) the parties entered into on December 7, 2006 – the day of their marriage. On July 11, 2019 the Court conducted a one-day property and divorce trial at which the parties presented evidence and argument on how the court should divide the marital estate as defined by the Contract. Parties agreed that custody had been “resolved”, but no written order has yet been submitted to this court for purposes of issuing a final custody decree. For purposes of the property division, the court assumes that the plaintiff (wife) will continue to exercise primary physical and sole legal custody of the two children.¹

¹ Shiloh (DOB: 11/8/11) and Sloane (DOB: 7/23/08).

Key Components of the Contract

The contract, Exhibit #1000, was poorly written to say the least. There are several examples where there are missing paragraphs or inconsistent statements. But based upon the totality of the language within the contract and the parties' testimony at trial regarding their understanding and intent in signing the contract, the court can determine the parties' collective intent.

The parties' choice of law was State of Alaska.²

The parties intended to keep their separate property separate and to be able to continue to grow their individual estates without those estates being subject to division due to a divorce³, except under certain circumstances⁴. This and similar provisions were designed primarily to prevent the plaintiff from claiming an ownership interest in the defendant's and his family's ongoing and future business interests. In exchange, the defendant agreed to fund a community estate⁵, fund an investment account⁶ and allow consideration of his separate property when dividing the community estate upon divorce⁷.

² Paragraph 2.22.

³ Paragraphs 1.11, 1.13, 2.3, 2.4, 2.6.2, 2.6.3, 2.10, 2.11 1 (Investments), 2.11 (Liens), 2.12, 2.13, 2.16.1, 2.16.2, and 2.16.4.

⁴ Paragraphs 2.12 (placement into joint account); 2.16.4, paragraph 3, page 14 (10 year length of marriage and/or children); 2.16.4, paragraph 5, page 14 (death of husband, 128 Davos Road becomes sole property of wife); 2.16.4, paragraph 6, page 14 (unemployment allows court to award spousal support);

⁵ Paragraph 1.12

⁶ Paragraph 2.16.4, page 14.

⁷ Paragraph 2.16.4, page 14.

The parties intended to create a community estate, which would have a starting value of \$10,000.⁸ The \$10,000 would be funded by the defendant (husband) from his separate estate.⁹ In subsequent years the parties would direct 50% of their income into the community estate.¹⁰ The money was to be deposited into a joint account.¹¹ No evidence was presented about a joint account and certainly no evidence was presented showing deposits or withdrawals from an account designated as a community account.

Paragraph 2.16.4, page 14 refers to paragraph 2.5, but paragraph 2.5 only states "Not Used" within the Contract. Within paragraph 2.16.4, plaintiff receives the home at 128 Davos Road if defendant dies while parties are still married. Paragraph 2.24 states that the Contract fully describes the "obligations one to the other". Paragraph 2.16.4, page 14, allows the court to consider the separate property of the defendant when dividing the community estate if a child has been born. Based on the totality of the Contract, specifically the provisions that envision the wife being awarded the home and the acknowledged need to take the needs of children in to account, the court finds that the parties intended to create an investment account or otherwise have sufficient funds so that the wife and children would have a home to live in if there was a divorce.

⁸ Paragraph 2.8

⁹ Id.

¹⁰ Paragraph 2.6.2.

¹¹ Paragraph 2.6.1.

The parties intended that after 10 years of marriage and/or children being born of the marriage, the prohibition on the court considering each parties separate estate would be dropped.¹²

The parties intended that the Wife would be able to establish a residence for her and the children upon a divorce.¹³

The parties also intended that spousal support be available for an unemployed spouse.¹⁴

The parties intended that the court read the contract as a whole and not parse out a singular paragraph to thus invalidate the intent of the agreement.¹⁵

Analysis

Paragraph 2.6 states that each party was to make contributions to a community account, "to pay family and other community expenses, and for the acquisition of a community estate." Exhibit #1001 shows that each year, assuming the contributions made as stated in Paragraph 2.6.2, the community estate should have had \$1,457,497. But the parties did not identify a specific community account nor did they attempt to track income, expenses and whether marital money was spent or non-marital money was gifted to the community estate.¹⁶ The

¹² Paragraph 2.16.4, page 14 of 20 (partial subparagraph top of page).

¹³ Paragraph 2.16.4, page 14 of 20 (first full subparagraph).

¹⁴ Paragraph 2.16.4, page 14 of 20 (last paragraph).

¹⁵ Paragraph 2.23, 2.26, 2.27 and 2.28.

¹⁶ Paragraph 2.6.2 states that 50% of each person's income, up to \$250,000, will be deposited into the community estate. The remaining 50% of the income is that person's separate property.

defendant argues that the "marital" money was spent and he retained his separate income. But the defendant provided no evidence to support his contention that either he or the plaintiff tracked anything regarding their finances.

Paragraph 2.10 provides that either the plaintiff or defendant can freely gift their separate property to the community estate without fear of changing other separate property into community property. Paragraph 2.12 states that commingling money won't change the character of property.

Because the Contract would provide the plaintiff no consideration for her waiving any claim to the defendant's interest in his family business and to preserve the Contract as best as possible to satisfy the defendant's intent, the Court has to conclude that the defendant wants to honor his part of funding the community estate and the investment account. Money spent during the marriage could easily have been from the defendant gifting his separate money for the family expenses and preserving the marital portion of his income to be deposited into the community estate and the investment account.

The court rejects the argument that the wife dissipated the community estate any faster than did the husband.

The defendant argues that the plaintiff, along with the defendant dissipated the community estate and therefore there is nothing left to divide between the parties. But the court rejects this argument as the contract between the parties

affirmatively states that such a community estate will be created and will be available to divide if the parties divorce. It is the existence of this community estate, along with the investment account, that give the agreement any enforceable meaning such that the court should honor the ultimate goal of the defendant (and his family) which was and is to prevent the plaintiff from claiming any ownership interest in the family's business interests.

The court accepts Plaintiff's Exhibit #1001 as a fair and reasonable calculation of the community estate available for division.

The court rejects the wife's testimony and argument that any of the corporations or businesses operated or started by the husband during the marriage were joint ventures or were funded by community estate money as opposed to separate estate money. There is no documentation to corroborate the wife's assertions. The court simply cannot find by a preponderance of the evidence that her arguments are more likely true than not.

Any arguments of transmutation or the husband benefitting from the wife maintaining the home and being primary caretaker for the children were anticipated by the prenuptial agreement and disallowed.¹⁷ The provisions for a community estate and investment account properly balance the provision disallowing a claim for transmutation.

¹⁷ Paragraphs 2.12, 1.8 and 1.9.

Paragraph 2.16.4, page 13, makes allowances so that the circumstances of the marriage require consideration to determine how the community estate should be divided. The language in this section and that in paragraph 2.22, invite the court to consider the Merrill factors.

Merrill Factors

(A) The length of the marriage and station in life of the parties during the marriage;

This paragraph is relevant within the scope of the Contract as 10 years was deemed a significant length of marriage such that the court could consider separate property in dividing the community estate.

(B) The age and health of the parties;

Paragraph 2.16.4 states that if a spouse is disabled, that spouse may be awarded spousal support indefinitely. Plaintiff has been injured at the hands of the defendant, but as of the time of trial, both parties were in relatively good health; neither is disabled.

(C) The earning capacity of the parties, including their educational backgrounds, training, employment skills, work experiences, length of absence from the job market, and custodial responsibilities for children during the marriage;

This factor was explicitly excluded from consideration in the Contract, except for the existence of children. The parties intended for the wife and children to be able to afford a residence upon divorce.¹⁸

¹⁸ Paragraph 2.16.4, page 14.

(D) The financial condition of the parties, including the availability and cost of health insurance;

Plaintiff has an annual earning capacity of approximately \$40,000 and has no savings or retirement plan. Defendant has an annual earning capacity of over \$500,000 and a net worth likely over \$3 million.

(E) The conduct of the parties, including whether there has been unreasonable depletion of marital assets;

There is no evidence that either party was more irresponsible than the other regarding their finances. Plaintiff was in a particular vulnerable position in that regard because she had nothing to fall back on except the defendant's good graces. The defendant had little reason to worry due to his family's finances and the prenuptial agreement.

This question does guide the trial court to consider all conduct, not merely that regarding the depletion of marital assets. In this case, the prenuptial agreement anticipated the parties would cooperatively create a community estate. The agreement was even specific as to 50% of earned income up to \$250,000 per person.¹⁹ Accepting Plaintiff's Exhibit #1001 as accurate, the community estate should have had a value of at least \$1,457,497. Plaintiff presumably had a right for the parties to review the agreement and potentially insist that contributions made into the community estate.²⁰ This notion presumes that the parties were on

¹⁹ Paragraph 2.6.2.

²⁰ Paragraph 2.18.

an equal standing. The domestic violence that the plaintiff has suffered at the hands of the defendant demonstrates that the plaintiff never was on an equal footing with the defendant during the marriage. Realistically she was never in a position to insist that the defendant fund the community estate and the investment account²¹ so that she had some financial security in case she had to leave the marriage to protect the children and herself.

(F) The desirability of awarding the family home, or the right to live in it for a reasonable period of time, to the party who has primary physical custody of children;

This has been an important factor during the pendency of the case. The plaintiff has been the primary parent for the children and did not have another home to live in or the finances to move. The parties recognize the importance of providing the plaintiff and children a home if the parties separated.²² Although the specific home at 128 Davos Road isn't particularly critical, the size, value and community are important considerations.

(G) The circumstances and necessities of each party;

This factor is essentially null considering the prenuptial agreement. One circumstance not accounted for within the agreement is the domestic violence the defendant committed against the plaintiff. The shadow of domestic violence over the interactions between the parties can certainly explain why the plaintiff may not

²¹ Paragraph 2.16.4, page 14 of 20 (first full paragraph).

²² Supra

have felt empowered to enforce the provisions within the prenuptial agreement. Her right to insist that money be deposited into the investment account or the community account would have been difficult to enforce if she feared for her safety.

(H) The time and manner of acquisition of the property in question;

The prenuptial agreement controls this factor.

(I) The income-producing capacity of the property and the value of the property at the time of division.

There is no marital income-producing property.

Fair and Equitable Division

The parties' intent in the Contract, was to protect the defendant's family assets and not allow those business entities to become entangled in a divorce. In exchange, the defendant promised to fund a community estate/account, an investment account and to provide the plaintiff and children a residence to move into if there was a divorce.

Plaintiff's Exhibit 1001 reasonably demonstrates what the defendant should have been depositing into a community estate as promised in December 2006. For the prenuptial contract to have some meaning, the court values the community estate at \$1,123,517.08.²³ That fund shall be divided between the parties 70/30 in

²³ Defendant contributions minus plaintiff's contributions. Defendant's failure to set aside money specifically labeled "community estate" does not prevent the court from enforcing the Contract. The

favor of the wife. The unequal division is warranted because the defendant has financial holdings valued in excess of \$3 million dollars with an annual income in excess of \$500,000.²⁴ The defendant is financially secure for the remainder of this life. The plaintiff, on the other hand has next to nothing. No retirement, no savings, no health insurance. In addition, she has been and is the primary caretaker of the children. While she does have the ability to earn a comfortable annual income of approximately \$40,000, she will never be able to replace the basis or time value of money from the ten years of marriage. Her portion of the community estate effectively represents her retirement. The defendant shall transfer to the plaintiff, \$786,462.²⁵

The investment account should have been created and should contain sufficient funds so that the plaintiff can purchase and furnish a home for her and the children. The agreement between the parties and the evidence of their lifestyle for the past 10 years suggests that the home at 128 Davos Road is an adequate home for the plaintiff and the children. As such, the court will require the parties, at the defendant's cost, to have the home at 128 Davos Road valued and that value will be the amount of money that should have been available to the plaintiff in the

defendant has within his possession and control well over \$3,000,000. The court does not have to give weight to his determination of what is "marital" and what is "non-marital" or "separate" property.

²⁴ The parties agreement specifically authorizes the court to consider each parties separate estate when dividing the community estate.

²⁵ 70% of \$1,123,517.08 is \$786,461.90. The court has rounded up to the nearest dollar.

investment account to purchase a home. To furnish the home, \$30,000 is in the court's determination an adequate amount of money.²⁶

The defendant has suggested that the parties spent the marital money and therefore he has no duty to fund the community account. Further, defendant suggested because there is no paragraph 2.5 there is no duty to fund an investment account. But without those provisions being honored in good faith by the defendant, the entire prenuptial agreement then is unenforceable. It would entirely unfair that the defendant receive the benefit of his bargain, but then be able to control the finances such that the plaintiff does not receive her part of the bargain.

The convenient of good faith and fair dealing is an important concept when enforcing a contract. Defendant had the sole power and control to fund the community and investment accounts he promised to fund in 2006. Plaintiff had no power to force him to fund these accounts. Defendant's arguments that the "community/marital" money was spent could also be viewed that the defendant gifted the marriage the non-marital 50% of his income and saved – as he promised – the marital 50% of his income. The later view is the most consistent with the original intent of the parties and allows both parties to receive their respective benefits of their bargain. Without enforcing the Contract in this manner, the entire Contract would have to be deemed unenforceable and the defendant would no

²⁶ Parties testified that the furnishings in the residence at 128 Davos Road were relatively modest.

longer be able to protect his business interests from being entangled in this divorce proceedings.

Once the plaintiff is awarded her portion of the community estate and the entire investment account, spousal support will no longer be necessary. Plaintiff has been receiving spousal support for approximately the past 18 months²⁷. But, until such time as the 128 Davos Road home is valued, the equal value of funds plus \$30,000, and the \$786,462 is transferred to the plaintiff, and the spousal support shall continue and she shall continue to have the right to occupy the home at 128 Davos Road.

Each party shall retain the personal property they currently retain in their possession and control, except that all furniture, appliances and artwork currently located in 128 Davos Road shall be awarded to the defendant. Each party is responsible for any debts that are solely in their name. Plaintiff shall retain possession and be awarded title to the vehicle she used during the marriage. Children's clothes and toys shall travel with the children to the mother's home.

Conclusions

This court has personal jurisdiction over the parties and subject matter jurisdiction over the marriage and children's issues. There are irreconcilable differences between the parties such that their request for a divorce can be granted.

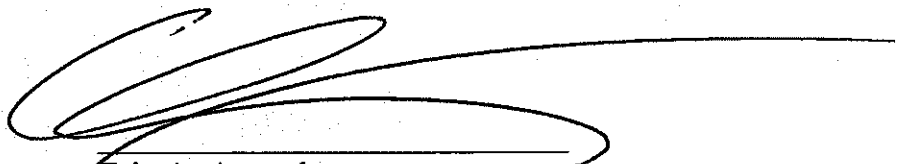
²⁷ This is more than an adequate amount of time for the plaintiff to situate herself to her new financial reality.

The property distribution as described above enforces the Contract between the parties and is otherwise fair and equitable. Each party shall bear their own fees and costs of the litigation, except that defendant shall bear the full cost of having the home at 128 Davos Road valued.

A divorce decree shall issue once the full award as granted in this order is transferred to the plaintiff.

IT IS SO ORDERED.

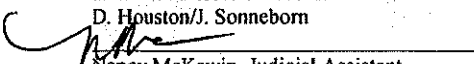
Dated at Anchorage, Alaska this 23rd day of December 2019.



Eric A. Aarseth
Superior Court Judge

I certify that on 12/23/19 a copy
of the above was mailed to each of the following
at their addresses of record.

D. Houston/J. Sonneborn



Nancy McKewin, Judicial Assistant

IN THE SUPERIOR COURT FOR THE STATE OF ALASKA

THIRD JUDICIAL DISTRICT AT ANCHORAGE

ABBIE M. BAUGH,

Plaintiff,

vs.

ANDREW L. BAUGH,

Defendant.

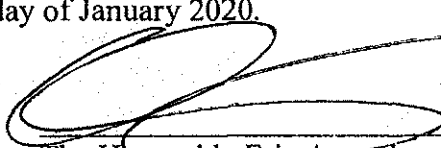
Case No. 3AN-18-06569 CI


ORDER

This court, having considered Defendant's Motion for Reconsideration, and having considered Plaintiff's Opposition to that motion, orders as follows:

IT IS ORDERED that the Defendant's Motion for Reconsideration is denied.*

DATED at Anchorage, Alaska this 30th day of January 2020.


The Honorable Eric Aarseth
Superior Court Judge

* The parties testified, in particular the defendant testified, that he didn't have the slightest clue as to what money was spent or where it came from. The defendant testimony precludes him from now attempting to say that some distinction between community funds and separate property was even made during the marriage. The Court's decision enforces the defendant's promise to the plaintiff. At trial he was in the best position to claim some justification for not fulfilling his promise. His testimony to the Court was a cavalier - he's not a money guy. 

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HOUSTON & HOUSTON
ATTORNEYS AT LAW
517 WEST NORTHERN LIGHTS BLVD.
ANCHORAGE, ALASKA 99503
(907) 278-1015 FAX (907) 278-8603

I certify that on 1-30-20 a copy of the following was mailed/mailed to each of the following at their addresses of record.

McSweeney Houston

000106

IN THE SUPERIOR COURT FOR THE STATE OF ALASKA

THIRD JUDICIAL DISTRICT AT ANCHORAGE

ABBIE M. BAUGH,)
)
Plaintiff,)
)
vs.)
)
ANDREW L. BAUGH,)
)
Defendant.)
_____)

Filed in the Trial Courts
State of Alaska Third District
DEC 10 2018
Clerk of the Trial Courts
By _____ Deputy

Case No. 3AN-18-06569 CI

#5

**MOTION & MEMORANDUM TO DECLARE PRENUPTIAL VIOL
AND UNENFORCEABLE**

COMES NOW the Plaintiff, Abbie M. Baugh, by and through counsel, and moves this court for an order which declares the prenuptial agreement in this instance invalid and unenforceable. This motion is supported by the attached affidavits and records.

Factual Background

The parties dated and then at some point in approximately 2000, they moved in together forming a domestic partnership. They married December 7, 2006 in Hawaii. This case was initiated in 2018, following a domestic violence assault by Defendant against Plaintiff in which he broke into a home where she was staying. Starting before the marriage, there was domestic violence and it continued into the marriage. Plaintiff previously sought relief from the court in 2015 in the form of a protective order and divorce. Unfortunately, as is too often the case in abusive relationships, Plaintiff later dismissed those cases.

The effort of power and control existed in the relationship prior to marriage. Initially revealing itself a verbal abuse and then, just a few weeks prior to their scheduled wedding date,

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Agreement Void and Unenforceable
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Plaintiff suffered a traumatic leg injury, left tibial plateau fracture, due to the violence of Defendant. The injury required surgery which took place on November 9, 2006. She was discharged the following day and provided Percocet for pain. *See Exhibit "1."* On November 17, 2006, she sought follow up care and was provided Vicodin #120 as she was scheduled to leave for Hawaii the following week for her wedding. *See Exhibit "2."*

The parties proceeded to Hawaii for their destination wedding which was scheduled to have a large turnout of well over 100 people, most who had traveled from Alaska and other states in order to attend the wedding. On December 7, 2006, the day of the wedding, the relevant prenuptial agreement was signed. *See Exhibit "3."*

At no time prior to traveling to Hawaii had the parties discussed a prenuptial agreement. Contrary to the assertion in the Agreement that the parties had been discussing the Agreement since May 2006, Plaintiff first heard of a prenuptial agreement almost in passing, just days before the wedding, when Defendant mentioned that he was having his attorney friend draft a prenuptial agreement. And, while the Agreement also states that the Agreement "was reviewed by both parties on December 3, 2006" no such review ever occurred. The Agreement also asserts that "each had an opportunity to discuss the provisions of this Agreement with their respective counsel....[and] that they have had sufficient time to review the Agreement and to consult with their attorney prior to signing this Agreement...." *See Agreement 1.11.* In point of fact, there was no disclosure, no discussions, no review and certainly no opportunity to review the Agreement and consult with counsel. As noted by Plaintiff, the document even includes misspelling of her name, an error which surely would have been corrected with the "thorough" review recited in the document. And certainly had Plaintiff been aware of or reviewed a

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prenuptial agreement she would have made some mention of it to her closest friends. As the attached affidavits attest, despite long term close friendships, Plaintiff never once mentioned that a prenuptial agreement was being prepared.

On December 6, 2006, the parties held their rehearsal dinner and related festivities. By all description, this was a large event with significant drinking by those in attendance, including Plaintiff. At the time, she remained on significant pain medications. By her own description, by the end of the event, she was intoxicated. A fact confirmed by those who were with her who attest to her use of alcohol and pain medication throughout the rehearsal event. Upon returning to her condo with several girlfriends after the night of partying, Plaintiff found that Defendant had left the Agreement for her to sign, demanding she do so or there would be no wedding. By those who witnesses this process, Plaintiff was distressed, shocked and appeared under duress. Her response was "shock and disbelief." Plaintiff acknowledges her signature to the document but has no recollection of signing. Whether she signed due to fear of further physical violence, confusion due to the intoxication of alcohol and medications, or the pressure associated with such a large number of people who had traveled to Hawaii to attend the wedding is unknown. What is known is that Plaintiff's signature was obtained under duress, the document itself contains numerous fraudulent misrepresentations in that it was never provided to Plaintiff for review, never discussed nor were there any prior disclosures. In point of fact, a copy was never provided to Plaintiff after the wedding. She was essentially forced to sign the Agreement at a time when she lacked the mental capacity to enter into a binding contract. The method of obtaining and timing of the Plaintiff's signature to the Agreement, dated the day of their wedding, was unconscionable on its face.

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While prenuptial agreements in Alaska are presumptively valid. The facts and circumstances in this case require that the Agreement be deemed invalid and unenforceable.

Argument

It is not disputed that in Alaska, "Prenuptial Agreements legally procured and ostensibly fair in result are valid and can be enforced." *Brooks v. Brooks*, 733 P.2 1044, 1050-51 (Alaska 1987). Our court, however, has made clear that to be found valid and enforceable, the trial court should consider the following criteria:

1. "Was the agreement obtained through fraud, duress or mistake, or misrepresentation or nondisclosure of material fact?
2. Was the agreement unconscionable when executed?
3. Have the facts and circumstances changed since the agreement as executed, so as to make its enforcement unfair and unreasonable?" *id.* at 1049.

While the *Brooks* case did not involve a challenge to the prenuptial agreement in that case, the court utilized *Brooks* in order to outline the court's position regarding prenuptial agreements in Alaska. In doing so, the Court noted the presumption of validity of prenuptial agreements but, in relying on the Uniform Premarital Agreement Act (UPAA) to make this determination, the court made clear that the presumption of validity can be rebutted if a party proves that:

- (1) That party did not execute the agreement voluntarily; or
- (2) The agreement was unconscionable when it was executed and, before execution of the agreement, that party:
 - (i) was not provided a fair and reasonable disclosure of the property or financial obligation of the other party;
 - (ii) did not voluntarily and expressly waive, in writing, any right to disclosure of the property or financial obligations of the other party beyond the disclosure provided; and

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- (iii) did not have, or reasonable could not have had, an adequate knowledge of the property or financial obligations of the other party.” id. at 1049-1050; (quoting UPAA, section 6(a), 9 U.L.A. at 383-84)

In the present case, there can be no assertion that Plaintiff signed the agreement voluntarily. While she acknowledges that her signature is attached to the agreement, at the time of signing, she lacked the ability to “voluntarily” sign. She was under the influence of alcohol and prescription pain medications such that she could not voluntarily form the requisite intent to contract. She lacked the capacity to enter into a contract such as the Agreement at issue in this case. The Restatement (Second) of Contracts, Section 16 provides as follows:

“A person incurs only voidable contractual duties by entering into a transaction if the other party has reason to know that by reason of intoxication

(a) he is unable to understand in a reasonable manner the nature and consequences of the transaction, or

(b) he is unable to act in a reasonable manner in relation to the transaction”

Defendant was aware that Plaintiff was actively taking strong prescription pain medications at the time he insisted she sign the Agreement. He was also aware of her intoxicated state at the time he demanded she sign the Agreement. He clearly had reason to know that due to the intoxicated state, particularly in the circumstances of the scheduled marriage, that Plaintiff was unable to understand the consequences of signing the Agreement and further, given the distraught response, unable to act in a reasonable manner regarding whether or not to sign the Agreement. This is particularly evident in that he was aware she had never seen the document prior to his presentation to her after she became intoxicated. His actions, in light of the circumstances, were clearly not in good faith. This too applies as our court has been clear that

“In every contract.... There is an implied covenant of good faith and fair dealing that neither

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party will do anything which will injure the right of the other party to receive the benefits of the agreement” *McConnell v. State, Dept of Health and Soc. Servs.*, 991 P.2d 178, 184 (Alaska 1999) (quoting *Guin v. Ha*, 591 P.2d 1281, 1291 (Alaska 1979). In the present instance, Defendant knew or should have known that Plaintiff lacked capacity to enter the Agreement. Despite this, he demanded compliance. He knew she had not reviewed the Agreement and knew that she would not have the opportunity to seek legal counsel. There simply was no “covenant of good faith and fair dealing” by Defendant. Instead, he took advantage of Plaintiff’s intoxicated state. The Agreement is voidable due to lack of capacity.

The Agreement was unconscionable. Our court has relied on the Restatement of Contracts when considering the question of unconscionability, noting that while “The Restatement does not provide a concise definition of what makes a contract or term unconscionable and instead states that ‘[t]he determination that a contract or term is or is not unconscionable is made in the light of its setting, purpose and effect.’ *Askinuk Corp. v. Lower Yukon School Dist.*, 214 P.3d 259, (2009). (*Citations Omitted*). This application is directly relevant in the instant case. Defendant waiting until the night before and day of the parties’ wedding to present Plaintiff with the Agreement. His purpose was no doubt to protect his finances to the prejudice of Plaintiff but what is critical to this scenario is the “setting” in which he executed the contract. The parties had resided together in a domestic partnership for several years. They spent a great deal of time and effort planning a wedding in Hawaii. At no time did he present Plaintiff with a draft of the Agreement, provide disclosures, suggest that she obtain an attorney or even indicate that he intended to require a prenuptial agreement other than a passing reference days before the wedding. Instead, he waited until Plaintiff was exhausted, intoxicated

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and hours before the scheduled marriage to provide her with the Agreement. And, prior to its presentation, he provided no fair and reasonable time for Plaintiff to review disclosures or otherwise consider the implications of the Agreement.

The Restatement provides further guidance regarding whether the Agreement is unconscionable. When referencing section 208 our court has clarified that "The Restatement does not provide an explicit definition of unconscionability. It does identify factors, however, that support a finding of unconscionability. Additionally, it contains the following significant comment: Theoretically it is possible for a contract to be oppressive taken as a whole, even though there is no weakness in the bargaining process and no single term which is in itself unconscionable. Ordinarily, however, an unconscionable contract involves other factors as well as an overall imbalance. *Id.* comment c at 108. Concerning these "other factors," in comment b the Restatement quotes § 2-302 of the UCC, comment Page 382 1, which states: "[t]he principle is one of the prevention of oppression and unfair surprise and not of disturbance of allocation of risks because of superior bargaining power." *Vockner v. Erickson*, 712 P.2d 379, (1986). (Internal Citations Omitted). A finding of "unfair surprise" could be no clearer than what occurred at the time the Agreement was executed in this matter. Under such circumstances, the Restatement makes it clear that it is appropriate for the court to refuse to enforce the contract. *Id.*

The Agreement should also be declared void due to duress. Duress is defined by "A condition where one is induced by wrongful act or threat of another to make a contract under circumstance which deprive him of exercise of his free will" Black's Law Dictionary 5th Ed.; *Hyde v. Lewis*, 323 N.E.2d 533, 527. The Alaska Court has clarified that "there are three elements to be satisfied before a contract can be voided for duress: '1) one party involuntarily Baugh v. Baugh
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accepted the terms of another, 2) circumstances permitted no other alternative, and 3) such circumstances were the result of coercive acts of the other party....” *Helstrom v. North Slope Borough*, 797 P.2d 1192, (1990) (Quoting *Schmidt v. Lashley*, 627 P.2d 201, 204 (Alaska 1981)). All three elements are present here. As noted above, Plaintiff lacked the capacity to “voluntarily” accept the terms of the Agreement. The circumstances at the time permitted no alternative and these circumstances were the result of the coercive acts of Defendant. Just weeks prior to presenting the Agreement to Plaintiff, Defendant had assaulted Plaintiff causing a significant injury. Defendant had already demonstrated a history of angry and controlling behavior and, shortly before the marriage date, had taken it a step further through his assault, a behavior that continued through the marriage, finally resulting in the present divorce. Given Defendant’s actions just weeks before, Plaintiff continued to live in fear of a violent response from Defendant if she had opted not to sign the Agreement. The Agreement should be voided due to the duress utilized to obtain execution.

Lastly, Brooks provides as a part of the court’s evaluation criteria, the ability to reject a prenuptial agreement if “the facts and circumstances changed since the agreement was executed, so as to make its enforcement unfair and unreasonable.” *Brook v. Brooks*, 733 P.2d 1044 (Alaska 1987). Defendant in this case has a history of domestic violence. This started just shortly before the execution of this agreement and as evidenced by the current domestic violence matter and pending criminal charges against Defendant for assault, continued throughout the marriage. While perhaps it should have been, it was not foreseen at the time of marriage, that Plaintiff would be subjected to violence throughout the marriage. After years of abuse, Defendant would use the Agreement to further harm Plaintiff by essentially leaving her with no

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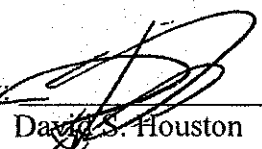
estate after divorce. Equity requires an effort to avoid rewarding Defendant's harm throughout the marriage by hiding behind the Agreement. Our court has assented to the trial court determining that "the equities of [a] case do not warrant strict application of the prenuptial agreement...." See *Day v. Williams*, 285 P.3d 256 (Alaska 2012). In this case, there should be no application of the prenuptial agreement and it should be set aside.

Conclusion

Defendant asks the court to enforce a prenuptial agreement that was executed the day of the parties' wedding, signed by Plaintiff while she lacked the capacity to enter a contract and forced just weeks after he had physically assaulted her. That effort should be rejected by the court. Plaintiff acknowledges that prenuptial agreements are presumptively valid, however, that validity has been amply rebutted in this case. Accordingly, Plaintiff respectfully requests that the court declare that the Agreement is void and unenforceable.

DATED at Anchorage, Alaska this 10th day of December, 2018.

HOUSTON & HOUSTON, P.C.
Attorneys for Plaintiff

By: 
David S. Houston
ABA#9106038

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Agreement Void and Unenforceable
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PAMC PROVIDENCE ALASKA MEDICAL CENTER
3200 Providence DR
Anchorage AK 99508-4615

Baugh, Abbie M
MRN: 00224936, DOB: 12/15/1971, Sex: F
Adm: 11/10/2006, D/C: 11/11/2006

Scan on 11/12/2006 23:26 by ONBASE SCAN AK (below)

PROVIDENCE ALASKA
MEDICAL CENTER

DATE OF ADMISSION: 11/10/2006
DATE OF DISCHARGE: 11/11/2006

ADMITTING DIAGNOSIS: Left tibial plateau fracture.

POSTOPERATIVE DIAGNOSIS: Left tibial plateau fracture.

PHYSICIAN: Dr. Christopher Manion.

HOSPITAL COURSE: The patient is a very pleasant 34-year-old female who sustained a mechanical fall with a Schatzker-III tibial plateau fracture. She was treated with open reduction internal fixation during placement. Postoperatively, the patient had some deep incisions in her left lower extremity, consistent with a tunica palsy; however, to rule out vascular injury, we obtained an arterial ultrasound which did not show any problems with the arterial supply to her left foot. Her compartments remained soft. On postoperative day number one, we were able to remove her Hemovac. She was ambulatory and was safe for discharge.

MEDICATIONS ON DISCHARGE:

1. Percocet 7/325 one to two tablets p.o. every four to six hours p.r.n. for pain.
2. Additionally, I have given her a Colace 100 mg one p.o. b.i.d. for 30 days for stool softener.
3. I also refilled her EpiPen, which she uses for her anaphylactic reactions.
4. Also given her prescription for wheelchair, crutches, as well as a walker.

FOLLOWUP: She will follow up with me on Friday. There were no intraoperative or postoperative complications noted and the patient's deep incisions from the tunica palsy were improving. She is discharged home today in satisfactory condition and will follow up with me on next Friday.

Electronically Authenticated by
Christopher Manion, MD 11/13/2006 16:16

002242285/trc/D: 11/11/2006 8:03 A/T: 11/12/2006 5: PAMC DISCHARGE SUMMARY
17 P
NAME: Witcke, Abbie M DOB: 12/15/1971
ACCOUNT #: A 0631300769 NR#: 00-22-49-36
PHYSICIAN: Christopher Manion, MD
Page 1 of 2

PAMC PROVIDENCE ALASKA MEDICAL CENTER
3200 Providence DR
Anchorage AK 99508-4615

Baugh, Abbie M
MRN: 00224936, DOB: 12/15/1971, Sex: F
Adm: 11/10/2006, D/C: 11/11/2006

PROVIDENCE ALASKA
MEDICAL CENTER

Christopher Manion, MD

cc: Christopher Manion, MD

002242285/tra/D: 11/11/2006 B:03 A/T: 11/12/2006 5:
17 P

PAMC DISCHARGE SUMMARY

NAME: Wittke, Abbie M

DOB: 12/15/1971

ACCOUNT #: A 0631300769

MR#: 00-22-49-36

PHYSICIAN: Christopher Manion, MD

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ORTHOPEDIC PHYSICIANS ANCHORAGE

ABBIE M WITTKE

#64405

11/17/2006 Postoperative Visit

CHIEF COMPLAINT:

The patient returns today for further evaluation status post open reduction and internal fixation of left Schatzker III tibial plateau fracture with meniscal repair. She returns with her mother today for further evaluation. Date of surgery was 11/09/06.

The patient has no significant complaints at this time. Her pain is continuing to improve. She is quite happy with the results.

PHYSICAL EXAMINATION:

Her splint is removed. Her wound is healing quite nicely. She is neurologically and vascularly intact distally. The dysesthesia she had in her lower extremity from the tourniquet has all completely resolved. There is no evidence of infection. She lacks 10 degrees of terminal extension. Currently she can flex to approximately 30 degrees without any significant discomfort.

X-RAYS:

Radiographs of her left knee were ordered and reviewed today. These demonstrate no interval changes in the positioning. The hardware is in place. Overall alignment of the joint appears to be excellent.

DIAGNOSIS:

Left Schatzker III tibial plateau fracture.

CONCLUSION:

The patient will be going to Hawaii for her wedding next week. I will give her a prescription for Vicodin #120. She will continue with the brace from 0 to 70 degrees at this point. I will be in touch with her physical therapist and start mobilizing this more in approximately five weeks. She will have eight weeks of nonweightbearing on her left lower extremity. I will see her when she returns to Anchorage.

Christopher J. Manion, MD/ss

ORTHOPEDIC PHYSICIANS ANCHORAGE

ABBIE M. WITTKE

#64405

11/17/2006 X-Ray Report

X-RAYS:

Radiographs of her left knee were ordered and reviewed today. These demonstrate no interval changes in the positioning. The hardware is in place. Overall alignment of the joint appears to be excellent.

Christopher J. Manion, MD/ss

IN THE SUPERIOR COURT FOR THE STATE OF ALASKA
THIRD JUDICIAL DISTRICT AT ANCHORAGE

ABBIE M. BAUGH,

Plaintiff,

vs.

ANDREW L. BAUGH,

Defendant.

Filed in the Trial Courts
State of Alaska Third District

DEC 10 2018

Clerk of the Trial Courts
By _____ Deputy

Case No. 3AN-18-06569 CI

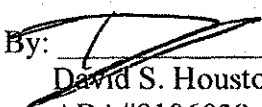
CERTIFICATE OF SERVICE #5

I, David S. Houston, an employee of the law firm Houston & Houston, PC, hereby certify that on the 10th day of December, 2018, a true and correct copy of the following documents: *Motion to Declare Prenuptial Agreement Void* was sent by U.S. Mail, postage pre-paid, to the Defendant's attorney Jacob Sonneborn, Esq. at the following address of record:

Jacob A. Sonneborn, Esq.
421 W. 1st Ave., Ste. 220
Anchorage, AK 99501

DATED at Anchorage, Alaska this 10th day of December 2018.

HOUSTON & HOUSTON, P.C.
Attorneys for Plaintiff

By: 
David S. Houston
ABA#9106038

HOUSTON & HOUSTON
ATTORNEYS AT LAW
517 WEST NORTHERN LIGHTS BLVD.
ANCHORAGE, ALASKA 99503
(907) 278-1015 FAX (907) 278-8603

Baugh v. Baugh
3AN-18-06569 CI
Page 1 of 1

IN THE SUPERIOR COURT FOR THE STATE OF ALASKA

THIRD JUDICIAL DISTRICT AT ANCHORAGE

FILED
STATE OF ALASKA
THIRD DISTRICT

2018 JAN 14 PM 4:05
CLERK OF THE JUDICIAL DISTRICT

ABBIE M. BAUGH,

Plaintiff,

vs.

Case No.: 3AN-18-06569 CI

ANDREW L. BAUGH,

Defendant.

BY _____
DEPUTY CLERK

**OPPOSITION TO MOTION TO DECLARE PRENUPTIAL AGREEMENT
VOID AND UNENFORCEABLE**

Abbie's *Motion* provides an excellent summary of the law in Alaska regarding the enforceability of prenuptial agreements.¹ Put simply, prenuptial agreements signed by both parties are presumed to be valid.² To overcome this presumption, Abbie must show that she was forced or coerced to sign the agreement, or the agreement was unconscionable, either at the time of execution or at the time of divorce.³ Abbie suggests both are true in this case – she was forced to enter into the agreement and the agreement is unconscionable. She also suggests that she lacked capacity to enter into the contract on the day she signed the prenuptial agreement.

¹ *Motion and Memorandum to Declare Prenuptial Void and Unenforceable* at 4.

² *Brooks v. Brooks*, 733 P.2d 1044, 1049 (citing UPAA §6, 9A U.L.A. 383-384 (1983)).

³ *Id.*

OPPOSITION TO MOTION TO DECLARE PRENUPTIAL AGREEMENT VOID AND
UNENFORCEABLE

Baugh vs. Baugh Case No. 3AN-18-06569 CI

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EXC. 135

000229

As explained below, Abbie's allegations are either demonstrably false or fail as a matter of law. The agreement should be declared valid which will obviate the need for, or markedly shorten, future evidentiary hearings in this matter.

I. Abbie cannot show that Andy was aware of her intoxication at the time of execution

If a party to a contract seeks relief from the contract on the grounds that they were intoxicated at the time they signed, they must show that the other party knows or should have known that they were intoxicated at the time of execution.⁴ Even if one assumes that everything Abbie says is true, she cannot show that Andy knew that Abbie would sign the agreement while she was so intoxicated that she didn't know what she was doing. This is because, according to Abbie's rendition of the facts, Andy was not there when she signed the agreement. Thus, even if

- 1) Abbie had never seen the agreement until the night before her wedding, and
- 2) Andy knew that Abbie was taking pills and drinking alcohol that night, and
- 3) Andy knew that Abbie was so inebriated by her conduct that she should not have been signing a legally binding document,

There is still no reason that Andy should be presumed to have known that Abbie would sign the agreement that night as opposed to the following morning, when she would have presumable slept off the drugs and alcohol in her system.

⁴ *Restatement (Second) of Contracts* § 16 (1981)

Abbie's affidavit admits that Andy was not in the room when she was presented with the prenuptial agreement.⁵ Yet she argues he knew she was drunk and high when he "insisted" and "demanded" she sign the agreement, and that his awareness of her "distraught response" provided notice to Andy that she was not thinking clearly.⁶ These arguments do not comport with Abbie's rendition of the circumstances of the signing of this document - as she swears that Andy was not there.

Abbie cannot show that Andy also knew that Abbie would review and sign the document, or that that she would sign the agreement had any knowledge that she was so intoxicated when, "the other party has reason to know Abbie suggests that she lacked capacity to enter into the pre-nuptial agreement because on the day she signed it, she was so intoxicated that she lacked capacity. This argument fails, as a matter of law, unless Abbie can show that Andy *knew* that First, had been drinking and taking opiates the day

II. Abbie cannot show that she was under duress

Similarly, Abbie's argument that she was forced to sign the agreement against her will fails even if the Court accepts her facts.

To avoid the prenuptial agreement, Abbie must show that she "1) [] involuntarily accepted [Andy's] terms, 2) circumstances permitted [her] no other alternative, and 3)

⁵ Affidavit of Abbie M. Baugh at ¶¶5, 7, and 11.

⁶ *Motion to Declare Prenuptial Agreement Void and Unenforceable* at 5.

such circumstances were the result of coercive acts of [Andy]."⁷ Alaska law holds that Abbie must prove "these elements by clear and convincing evidence."⁸

Abbie's argument fails on the first and second prongs. First, even if Andy engaged in the pre-marital domestic violence Abbie describes, she makes no allegation that Andy directly or indirectly suggested in any way that she *had* to sign the agreement or face future assault. Nor does Abbie allege that Andy was present at the time she signed.⁹ Finally, Abbie states that she told Andy directly that she would not sign a prenuptial agreement in the days leading up to the wedding, calling into question just how intimidated she was by her betrothed.¹⁰

Second, Abbie could have declined to go through with the wedding rather than sign the agreement. This was a viable option, and the pressure to go forward with the wedding was as much her creation as Andy's.¹¹

Instead of any allegation that her hand was forced, Abbie relies on her "imagin[ation] that at the time, the duress I was under, when mixed with the alcohol and pain medications prompted me to sign." This is a far cry from clear and convincing

⁷ *Helstrom v. N. Slope Borough*, 797 P.2d 1192, 1197 (Alaska 1990)(quoting *Totem Marine Tug & Barge, Inc. v. Alyeska Pipeline Serv. Co.*, 584 P.2d 15, 22 (Alaska 1978))

⁸ *Id.* (citing *Schmidt v. Lashley*, 627 P.2d 201, 204 (Alaska 1981))

⁹ Affidavits of Abbie's friends present differing versions of when and how Abbie was presented with the pre-nuptial agreement. These discrepancies further undermine Abbie's opportunity to meet the evidentiary burden on this element.

¹⁰ *Affidavit of Abbie M. Baugh* at ¶¶5, and 7.

¹¹ Presumably, Abbie had as much to do with the fact that there were 130 guests who had travelled [to Maui] to be at [the] wedding" as Andy. (*Affidavit of Abbie M. Baugh* at ¶7.) Certainly, Abbie does not suggest that Andy invited all the guests and planned the wedding without her knowledge and consent.

evidence that her acceptance of the terms was involuntary and Abbie's lack of memory of the events of her signing make reaching that standard impossible.

III. The agreement was not unconscionable in 2006 because Abbie was provided disclosure of Andy's separate property.

For a prenuptial agreement to be declared unconscionable at the time of contracting, a party must show that, when they signed the agreement, they did not know the other party's financial situation.¹² Abbie makes no such allegation, and such an allegation would be impossible in this case.

First, Abbie has alleged that she and Andy lived in a "domestic partnership" for six years before they were married.¹³ Abbie does not allege that Andy kept his finances secret for those years. Second, the prenuptial agreement has attached a document titled "Exhibit '1' ... Property/Debts of Husband." Which lists Andy's then-existing property and debts. Abbie signed this exhibit and printed her name under her signature. Third, the prenuptial agreement refers to Andy's separate property – specifically the home that Andy brought into the marriage – at several points, refers to Exhibit 1, and explicitly states that both parties had access to sufficient information to be fully informed of the other party's separate assets.¹⁴

¹² *Brooks*, 733 P.2d at 1049-50 (citing UPAA §6, 9A U.L.A. 383-384 (1983)).

¹³ *Complaint for Divorce* at ¶ II. The prenuptial agreement at § 1.3 suggests the parties had begun sharing a residence in 2002.

¹⁴ *Prenuptial Agreement* at 2 (§1.4), 3 (§§1.7, 1.10, 1.9 (sic)), 4 (§1.10(sic)), 5(§§2.2, 2.3), 6 (§2.4), 8 (§2.10), 14 (§2.16.4)

Abbie makes no allegation that she was not aware, and had no opportunity to become aware, of Andy's property and financial obligations when she signed the agreement. Her access to information in the prenuptial agreement itself, in attachments thereto, and through her long relationship with Andy before the prenuptial agreement was executed, would make such an allegation impossible. As a matter of law, the agreement was not unconscionable in 2006.

IV. The Agreement is not unconscionable now because it provides a substantial marital estate, half of which is Abbie's

Alaska Law requires the Court to also determine whether a prenuptial agreement is so unfair at the time of divorce as to be unenforceable.¹⁵ Abbie alleges that, since she will be left "essentially ... with no estate" after the divorce, the agreement reaches this standard.¹⁶ And if what Abbie argues were true, it would. But the prenuptial agreement clearly does not leave Abbie in the dire situation she alleges.

At §2.3 the agreement defines Andy's separate property as that owned by him at the time of marriage, obtained by him through gift or inheritance, or passively earned on his separate investments. At § 2.6 the agreement describes the estate subject to division in this divorce: all funds in any joint accounts, 50% of both party's personal services income earned during the marriage (up to \$250,000 per year), and any retirement contributions that come from the parties' earnings during the marriage. At § 2.7 the

¹⁵ *Brooks*, 733 P.2d at 1049 citing *Scherer v. Scherer*, 249 Ga. 635, 292 S.E.2d 662, 664 (Ga. 1982)

¹⁶ *Motion to Declare Prenuptial Agreement Void and Unenforceable* at 8-9.

prenuptial agreement adds any assets purchased with any of the funds described above to the marital estate.

The prenuptial agreement defines the Baugh marital estate almost exactly as it would be defined by the application of Alaska Law. Property brought into a marriage is not marital.¹⁷ “[I]nherited property and property acquired with separate property which is kept as separate property” are also not included in the marital estate.¹⁸ Property acquired during the marriage, including the salary of a spouse and retirement investments, is presumed to be marital, subject to a party’s ability to trace that income to a separate source.¹⁹ A 50/50 division of property is presumptively equitable.²⁰ A court can depart from an equal division only if it determines that the factors codified in AS 25.24.160(c) call for such a result.²¹

Thus, the only impact of the Baugh’s premarital agreement on the size and distribution of the marital estate is that the income of a party above \$250,000 per year is deemed separate property and both parties contracted away their ability to request more than 50% of the marital estate. While this is, perhaps, not as good a deal for Abbie as she would have enjoyed in the absence of the pre-marital agreement, it is far from being so unfair to her as to be unconscionable.

¹⁷ AS 25.24.160(a)(4)

¹⁸ *Lewis v. Lewis*, 785 P.2d 550, 558 (Alaska 1990)

¹⁹ *Bilbao v. Bilbao*, 205 P.3d 311, 313 (Alaska 2009)

²⁰ *Hooper v. Hooper*, 188 P.3d 681, 685 (Alaska 2008) (quoting *Burcell v. Burcell*, 713 P.2d 802, 805 (Alaska 1986)).

²¹ *Id.* at 686.

V. Conclusion

The Alaska Supreme Court has long held that two adults may agree to order their marriage and possible divorce as they see fit by entering into a prenuptial agreement. "[W]e see no logical or compelling reason why public policy should not allow two mature adults to handle their own financial affairs. Therefore, we join those courts that have recognized that prenuptial agreements legally procured and ostensibly fair in result are valid and can be enforced."²² A prenuptial agreement is treated like a contract,²³ and since Abbie is unable to show that she lacked capacity to enter into the agreement, that she did not sign the agreement knowingly and voluntarily, or that the prenuptial agreement is unconscionable, this Court should hold Abbie to the terms she contracted to.

LAW OFFICE OF JACOB SONNEBORN

DATED: 1/14/2019

By: 

Jacob A. Sonneborn
Alaska Bar No. 0711091

²² *Brooks*, 733 P.2d at 1050-51.

²³ *Compton v. Compton*, 902 P.2d 805, 809-10 (Alaska 1995) (citing *Keffer v. Keffer*, 852 P.2d 394, 397 (Alaska 1993)).

CERTIFICATE OF SERVICE

I certify that a copy of the foregoing was ☒ hand delivered ☐ faxed ☐ mailed on the 14th day of January 2019 to:

David S. Houston
Houston and Houston
517 W. Northern Lights Blvd.
Anchorage, AK 99503

LAW OFFICE OF JACOB SONNEBORN

By: 

Justin Jackson

OPPOSITION TO MOTION TO DECLARE PRENUPTIAL AGREEMENT VOID AND
UNENFORCEABLE

Baugh vs. Baugh Case No. 3AN-18-06569 CI

Page 9 of 9

EXC. 143

000237

YEAR	NET INCOME JOINT	ABBIE WITKE				ANDY BAUGH	
		ABBIE W-2	Abbie PFD	Abbie Subtotal	50% Abbie	Andy Income	Andy 50%
2007	\$ 182,586.00	\$ 46,197.92	\$ 1,694.00	\$ 47,891.92	\$ 23,945.96	\$ 136,388.08	\$ 68,194.04
2008	\$ 22,649.00	\$ 19,236.00	\$ 2,069.00	\$ 21,305.00	\$ 10,652.50	\$ 3,413.00	\$ 1,706.50
2009	\$ 53,449.00		\$ 1,305.00	\$ 1,305.00	\$ 652.50	\$ 53,449.00	\$ 26,724.50
2010	\$ 102,214.00		\$ 1,281.00	\$ 1,281.00	\$ 640.50	\$ 102,214.00	\$ 51,107.00
2011	\$ 159,108.00	\$ 16,660.00	\$ 1,174.00	\$ 17,834.00	\$ 8,917.00	\$ 142,448.00	\$ 71,224.00
2012	\$ 369,935.00	\$ 35,154.00	\$ 878.00	\$ 36,032.00	\$ 18,016.00	\$ 334,781.00	\$ 167,390.50
2013	\$ 168,991.00		\$ 900.00	\$ 900.00	\$ 450.00	\$ 168,991.00	\$ 84,495.50
2014	\$ 189,720.00	\$ 47,726.00	\$ 1,884.00	\$ 49,610.00	\$ 24,805.00	\$ 141,994.00	\$ 70,997.00
2015	\$ 304,978.00	\$ 51,570.00	\$ 2,072.00	\$ 53,642.00	\$ 26,821.00	\$ 253,408.00	\$ 126,704.00
2016	\$ 542,290.00	\$ 48,362.00	\$ 1,022.00	\$ 49,384.00	\$ 24,692.00	\$ 493,928.00	\$ 246,964.00
2017	\$ 627,706.00	\$ 35,430.00	\$ 1,100.00	\$ 36,530.00	\$ 18,265.00	\$ 592,276.00	\$ 250,000.00 *
2018	\$ 627,706.00	\$ 35,430.00	\$ 1,100.00	\$ 36,530.00	\$ 9,132.50	\$ 592,276.00	\$ 125,000.00 **
				\$ 352,244.92	\$ 166,989.96	\$ 3,015,566.08	\$ 1,290,507.04

BALANCE DUE IN SHARED ACCOUNT FROM ANDY BAUGH: \$ 1,123,517.08
(Andy 50% less Abbie 50%)

* - Adjusted to 250K threshold

** - Based on 2017 figures and adjusted to half year to account for separation

COPY
EXC. 385

PLAINTIFF
EXHIBIT NO. <u>1001</u>
ADMITTED <input type="checkbox"/>
<u>JAN-18-06869</u>
(CASE NUMBER)

Form **1040** EXTENSION GRANTED TO 10/15/08 **2007**
U.S. Individual Income Tax Return

IRS Use Only - Do not write or staple in this space.

Label (See instructions on page 12.) Use the IRS label. Otherwise, please print or type. Presidential Election Campaign	For the year Jan. 1-Dec. 31, 2007, or other tax year beginning	2007, ending	28	OMB No. 1545-0074
	Your first name and initial	Last name	Your social security number	
	ANDREW L.	BAUGH		
	If a joint return, spouse's first name and initial	Last name	Spouse's social security number	
	ABBIE M.	BAUGH		
	Home address (number and street). If you have a P.O. box, see page 12.		Apt. no.	You must enter your SSN(s) above.
	P.O. BOX 672			
	City, town or post office, state, and ZIP code. If you have a foreign address, see page 12.			
	GIRDWOOD, AK 99587			

Check here if you, or your spouse if filing jointly, want \$3 to go to this fund (see page 12) ☐ You ☐ Spouse

Filing Status

1 ☐ Single

2 ☒ Married filing jointly (even if only one had income)

3 ☐ Married filing separately. Enter spouse's SSN above and full name here. ☐ Qualifying widow(er) with dependent child (see page 14)

4 ☐ Head of household (with qualifying person). If the qualifying person is a child but not your dependent, enter the child's name here.

Exemptions

6a ☒ Yourself. If someone can claim you as a dependent, do not check box 6a

b ☒ Spouse

c **Dependents:**

(1) First name	Last name	(2) Dependent's social security number	(3) Dependent's relationship to you	(4) If qualifying child for child tax credit (see page 15)

Boxes checked on 6a and 6b: **2**

No. of children on 6c who:

- lived with you
- did not live with you due to divorce or separation (see page 15)

Dependents on 6c not entered above: **2**

Add numbers on lines above: **2**

d **Total number of exemptions claimed** **2**

Income

7 Wages, salaries, tips, etc. Attach Form(s) W-2 **53,081.**

8a Taxable interest. Attach Schedule B if required **8,766.**

b Tax-exempt interest. Do not include on line 8a **0b**

9a Ordinary dividends. Attach Schedule B if required **1,121.**

b Qualified dividends (see page 19) **359.**

10 Taxable refunds, credits, or offsets of state and local income taxes **STMT 2 STMT 3 2.**

11 Alimony received

12 Business income or (loss). Attach Schedule C or C-EZ

13 Capital gain or (loss). Attach Schedule D if required. If not required, check here ☐ **31,244.**

14 Other gains or (losses). Attach Form 4797

15a IRA distributions **15a** b Taxable amount **15b**

16a Pension and annuities **16a** b Taxable amount **16b**

17 Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E **67,315.**

18 Farm income or (loss). Attach Schedule F

19 Unemployment compensation

20a Social security benefits **20a** b Taxable amount (see page 24) **20b**

21 Other income. List type and amount (see page 24): **SEE STATEMENT 1 21,057.**

22 Add the amounts in the far right column for lines 7 through 21. This is your total income **182,586.**

Adjusted Gross Income

23 Educator expenses (see page 28)

24 Certain business expenses of reservists, performing artists, and fee-based government officials. Attach Form 2106 or 2106-EZ

25 Health savings account deduction. Attach Form 8889

26 Moving expenses. Attach Form 3903

27 One-half of self-employment tax. Attach Schedule SE **1,254.**

28 Self-employed SEP, SIMPLE, and qualified plans

29 Self-employed health insurance deduction (see page 28)

30 Penalty on early withdrawal of savings

31a Alimony paid b Recipient's SSN

32 IRA deduction (see page 27)

33 Student loan interest deduction (see page 30)

34 Tuition and fees deduction. Attach Form 8917

35 Domestic production activities deduction. Attach Form 8903

36 Add lines 23 through 31a and 32 through 35 **1,254.**

37 Subtract line 36 from line 22. This is your adjusted gross income **181,332.**

710001
11-08-07

LHA For Disclosure, Privacy Act, and Paperwork Reduction Act Notice, see page 83.

Exhibit No. 2000
Page 1 of 77

EXC. 386

Tax and Credits**Standard Deduction for**

• People who checked any box on line 39a or 39b of who can be claimed as a dependent.

• All others:
Single or Married filing separately, \$5,350

Married filing jointly or Qualifying widow(er), \$10,700

Head of household, \$7,850

38	Amount from line 37 (adjusted gross income)	38	181,332.
39a	Check <input type="checkbox"/> You were born before January 2, 1943, <input type="checkbox"/> Blind. <input type="checkbox"/> Spouse was born before January 2, 1943, <input type="checkbox"/> Blind. Total boxes checked ... <input type="checkbox"/> 39a		
40	Itemized deductions (from Schedule A) or your standard deduction (see line 38 margin)	40	45,513.
41	Subtract line 40 from line 38	41	135,819.
42	If line 38 is \$117,300 or less, multiply \$3,400 by the total number of exemptions claimed on line 6d. If line 38 is over \$117,300, see the worksheet on page 33	42	6,800.
43	Taxable income. Subtract line 42 from line 41. If line 42 is more than line 41, enter -0-	43	129,019.
44	Tax. Check if any tax is from: <input type="checkbox"/> Form(s) 9814 <input type="checkbox"/> Form 4972 <input type="checkbox"/> Form(s) 9889	44	24,866.
45	Alternative minimum tax. Attach Form 6251	45	0.
46	Add lines 44 and 45	46	24,866.
47	Credit for child and dependent care expenses. Attach Form 2441	47	
48	Credit for the elderly or the disabled. Attach Schedule R	48	
49	Education credits. Attach Form 8863	49	
50	Residential energy credits. Attach Form 5695	50	
51	Foreign tax credit. Attach Form 1116 if required	51	
52	Child tax credit (see page 39). Attach Form 8801 if required	52	
53	Retirement savings contributions credit. Attach Form 8880	53	
54	Credits from: <input type="checkbox"/> Form 8396 <input type="checkbox"/> Form 8859 <input type="checkbox"/> Form 8839	54	
55	Other credits: <input type="checkbox"/> Form 3800 <input type="checkbox"/> Form 8801 <input type="checkbox"/> Form	55	
56	Add lines 47 through 55. These are your total credits	56	
57	Subtract line 56 from line 46. If line 56 is more than line 46, enter -0-	57	24,866.
58	Self-employment tax. Attach Schedule SE	58	2,508.
59	Unreported social security and Medicare tax from: <input type="checkbox"/> Form 4137 <input type="checkbox"/> Form 8919	59	
60	Additional tax on IRAs, other qualified retirement plans, etc. Attach Form 5329 if required	60	
61	Advance earned income credit payments from Form(s) W-2, box 9	61	
62	Household employment taxes. Attach Schedule H	62	
63	Add lines 57 through 62. This is your total tax	63	27,374.

Other Taxes**Payments**

If you have a qualifying child, attach Schedule EC.

64	Federal income tax withheld from Forms W-2 and 1099	64	5,488.
65	2007 estimated tax payments and amount applied from 2006 return	65	
66a	Earned income credit (EIC)	66a	
66b	Nontaxable combat pay election	66b	
67	Excess social security and tier 1 RRTA tax withheld (see page 59)	67	
68	Additional child tax credit. Attach Form 8812	68	
69	Amount paid with request for extension to file (see page 59)	69	25,000.
70	Payments from: <input type="checkbox"/> Form 2439 <input type="checkbox"/> Form 4136 <input type="checkbox"/> Form 8885	70	
71	Refundable credit for prior year minimum tax from Form 8801, line 27	71	
72	Add lines 64, 65, 66a, and 67 through 71. These are your total payments	72	30,488.

Refund

Direct deposit? See page 69 and fill in 74a, 74b, and 74c, or Form 8888.

73	If line 72 is more than line 63, subtract line 63 from line 72. This is the amount you overpaid	73	3,038.
74a	Amount of line 73 you want refunded to you. If Form 8888 is attached, check here	74a	
74b	Refund number	74b	
74c	Account number	74c	
75	Amount of line 73 you want applied to your 2008 estimated tax	75	3,038.

Amount**You Owe**

76	Amount you owe. Subtract line 72 from line 63. For details on how to pay, see page 60	76	
77	Estimated tax penalty (see page 61)	77	76.

Third Party Designee

Do you want to allow another person to discuss this return with the IRS (see page 61)?	<input checked="" type="checkbox"/> Yes. Complete the following.	<input type="checkbox"/> No
Designee's name	PREPARER	Personal identification number (PIN)

Sign**Here**

Joint return? See page 13. Keep a copy for your records.

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.			
Preparer's signature	Date	Your occupation	Daytime phone number
Spouse's signature. If a joint return, both must sign.	Date	Spouse's occupation	

Paid**Preparer's****Use Only**

710002 11-05-07

Preparer's signature	ORIGINAL SIGNED BY	Date	Check if self-employed	Preparer's SSN or PTIN
	FREDERICK M. STRAND	9-10-08	<input type="checkbox"/>	P00051503
Firm's name (or yours if self-employed), address, and ZIP code	F.M. STRAND & ASSOCIATES, P.C.			BN 92.0085179
	3201 C STREET, SUITE 601			Phone no. (907)563-4425
	ANCHORAGE, ALASKA 99503			

Name(s) shown on Form 1040. Do not enter name and social security number if shown on page 1.

Your social security number

ANDREW L. & ABBIE M. BAUGH

Schedule B - Interest and Ordinary Dividends

Attachment
Sequence No. 08Part I
Interest

- 1 List name of payer. If any interest is from a seller-financed mortgage and the buyer used the property as a personal residence, see page B-1 and list this interest first. Also, show that buyer's social security number and address ▶

WELLS FARGO

ALASKA OUTDOOR ADVENTURES

DENALI ALASKAN FED CR UN

FROM K-1 - KAANDA LLC

FROM K-1 - KIONA, LLC

FROM K-1 - TETON, LLC

FROM K-1 - KAANDA LLC

Note: If you received a Form 1099-INT, Form 1099-ORD, or substitute statement from a brokerage firm, list the firm's name as the payer and enter the total interest shown on that form.

Amount

938.

735.

15.

4,213.

135.

1,973.

757.

- 2 Add the amounts on line 1
- 3 Excludable interest on series EE and I U.S. savings bonds issued after 1989. Attach Form 8815

8,766.

- 4 Subtract line 3 from line 2. Enter the result here and on Form 1040, line 8a

8,766.

Note: If line 4 is over \$1,500, you must complete Part III.

Part II
Ordinary
Dividends

- 5 List name of payer ▶

NORDSTROM

THE WALT DISNEY COMPANY

FROM K-1 - KAANDA LLC

FROM K-1 - TETON, LLC

FROM K-1 - KAANDA LLC

Note: If you received a Form 1099-DIV or substitute statement from a brokerage firm, list the firm's name as the payer and enter the ordinary dividends shown on that form.

Amount

27.

1.

366.

33.

694.

- 6 Add the amounts on line 5. Enter the total here and on Form 1040, line 8a

1,121.

Note: If line 6 is over \$1,500, you must complete Part III.

Part III
Foreign
Accounts
and
Trusts

You must complete this part if you (a) had over \$1,500 of taxable interest or ordinary dividends; or (b) had a foreign account; or (c) received a distribution from, or were a grantor of, or a transferor to, a foreign trust.

Yes

No

- 7a At any time during 2007, did you have an interest in or a signature or other authority over a financial account in a foreign country, such as a bank account, securities account, or other financial account? See page B-2 for exceptions and filing requirements for Form TD F 90-22.1

X

- b If "Yes," enter the name of the foreign country ▶

- 8 During 2007, did you receive a distribution from, or were you the grantor of, or transferor to, a foreign trust?

X

If "Yes," you may have to file Form 3520. See page B-2

727801
11-04-07

LHA For Paperwork Reduction Act Notice, see Form 1040 instructions.

Schedule B (Form 1040) 2007

Exhibit No. 2000

Page 6 of 77

EXC. 391

SCHEDULE E
(Form 1040)

Department of the Treasury
Internal Revenue Service

Supplemental Income and Loss

(From rental real estate, royalties, partnerships,
S corporations, estates, trusts, REMICs, etc.)

▶ Attach to Form 1040, 1040NR, or Form 1041.

▶ See instructions for Schedule E (Form 1040).

OMB No. 1545-0074

2007

Attachment
Sequence No. 13

Name(s) shown on return

Your social security number

ANDREW L. & ABBIE M. BAUGH

Part I **Income or Loss From Rental Real Estate and Royalties** Note. If you are in the business of renting personal property, use Schedule C or C-EZ (see page E-3). If you are an individual, report farm rental income or loss from Form 4835 on page 2, line 40.

1 List the type and location of each rental real estate property:	2 For each rental real estate property listed on line 1, did you or your family use it during the tax year for personal purposes for more than the greater of: • 14 days or • 10% of the total days rented at fair rental value? (See page E-3.)	Yes	No
A MISC RENTAL - LAKE SAMMAMISH PROPERTY		A	X
B		B	
C		C	

Income:	Properties			Totals (Add columns A, B, and C.)
	A	B	C	
3 Rents received	3 1,333.			3 1,333.
4 Royalties received	4			4
Expenses:				
5 Advertising	5			
6 Auto and travel (see page E-4)	6			
7 Cleaning and maintenance	7			
8 Commissions	8			
9 Insurance	9			
10 Legal and other professional fees	10			
11 Management fees	11			
12 Mortgage interest paid to banks, etc. (see page E-4)	12			12
13 Other interest	13			
14 Repairs	14			
15 Supplies	15			
16 Taxes	16			
17 Utilities	17			
18 Other (list) ▶	18			
19 Add lines 5 through 18	19			19
20 Depreciation expense or depletion (see page E-5)	20			20
21 Total expenses. Add lines 19 and 20	21			
22 Income or (loss) from rental real estate or royalty properties. Subtract line 21 from line 3 (rents) or line 4 (royalties). If the result is a (loss), see page E-5 to find out if you must file Form 990.	22 1,333.			
23 Deductible rental real estate loss. Caution. Your rental real estate loss on line 22 may be limited. See page E-5 to find out if you must file Form 990. Real estate professionals must complete line 43 on page 2	23			
24 Income. Add positive amounts shown on line 22. Do not include any losses				24 1,333.
25 Losses. Add royalty losses from line 22 and rental real estate losses from line 23. Enter total losses here				25 ()
26 Total rental real estate and royalty income or (loss). Combine lines 24 and 25. Enter the result here. If Parts II, III, IV, and line 40 on page 2 do not apply to you, also enter this amount on Form 1040, line 17, or Form 1040NR, line 18. Otherwise, include this amount in the total on line 41 on page 2				26 1,333.

Name(s) shown on return. Do not enter name and social security number if shown on page 1.

Your social security number

ANDREW L. & ABBIE M. BAUGH

Caution: The IRS compares amounts reported on your tax return with amounts shown on Schedule(s) K-1.

Part II Income or Loss From Partnerships and S Corporations Note: If you report a loss from an at-risk activity for which any amount is not at risk, you must check column (e) on line 28 and attach Form 6198. See page E-1.27 Are you reporting any loss not allowed in a prior year due to the at-risk or basis limitations, a prior year unallowed loss from a passive activity (if that loss was not reported on Form 8582), or unreimbursed partnership expenses? ☐ Yes ☒ No

If you answered "Yes," see page E-6 before completing this section.

28	(a) Name	(b) Enter P for partnership; S for S corporation	(c) Check if foreign partnership	(d) Employer identification number	(e) Check if any amount is not at risk
A	SEE STATEMENT 14				
B					
C					
D					

Passive Income and Loss		Nonpassive Income and Loss	
(f) Passive loss allowed (attach Form 8582 if required)	(g) Passive income from Schedule K-1	(h) Nonpassive loss from Schedule K-1	(i) Section 179 expense deduction from Form 4582
A			
B			
C			
D			
29a Totals	75,810.		1,137.
b Totals	10,965.		
30 Add columns (g) and (i) of line 29a		30	76,947.
31 Add columns (f), (h), and (i) of line 29b		31	(10,965.)
32 Total partnership and S corporation income or (loss). Combine lines 30 and 31. Enter the result here and include in the total on line 41 below		32	65,982.

Part III Income or Loss From Estates and Trusts

33	(a) Name	(b) Employer identification number
A		
B		

Passive Income and Loss		Nonpassive Income and Loss	
(c) Passive deduction or loss allowed (attach Form 8582 if required)	(d) Passive income from Schedule K-1	(e) Deduction or loss from Schedule K-1	(f) Other income from Schedule K-1
A			
B			
34a Totals			
b Totals			
35 Add columns (d) and (f) of line 34a		35	
36 Add columns (c) and (e) of line 34b		36	()
37 Total estate and trust income or (loss). Combine lines 35 and 36. Enter the result here and include in the total on line 41 below		37	

Part IV Income or Loss From Real Estate Mortgage Investment Conduits (REMICs) - Residual Holder

38	(a) Name	(b) Employer identification number	(c) Excess inclusion from Schedules Q, line 2c	(d) Taxable income (net loss) from Schedules Q, line 1b	(e) Income from Schedules Q, line 3b
39 Combine columns (d) and (e) only. Enter the result here and include in the total on line 41 below					39

Part V Summary

40 Net farm rental income or (loss) from Form 4835. Also, complete line 42 below	40	
41 Total income or (loss). Combine lines 28, 32, 37, 39, and 40. Enter the result here and on Form 1040, line 17, or Form 1040NR, line 18	41	67,315.
42 Reconciliation of farming and fishing income. Enter your gross farming and fishing income reported on Form 4835, line 7; Schedule K-1 (Form 1065), box 14, code B; Schedule K-1 (Form 1120S), box 17, code T; and Schedule K-1 (Form 1041), line 14, code F (see page E-7)	42	
43 Reconciliation for real estate professionals. If you were a real estate professional (see page E-2), enter the net income or (loss) you reported anywhere on Form 1040 or Form 1040NR from all rental real estate activities in which you materially participated under the passive activity loss rules	43	

FORM 1040

MISCELLANEOUS INCOME

STATEMENT 1

DESCRIPTION

AMOUNT

ALASKA PERMANENT FUND DIV
ALASKA PERMANENT FUND DIV
FORM 1099 - TETON LLC

1,654.
1,654.
17,749.

TOTAL TO FORM 1040, LINE 21

21,057.

FORM 1040

STATE AND LOCAL INCOME TAX REFUNDS

STATEMENT 2

2006

2005

2004

HAWAII

GROSS STATE/LOCAL INC TAX REFUNDS
LESS: TAX PAID IN FOLLOWING YEAR

2.

NET TAX REFUNDS HAWAII

2.

TOTAL NET TAX REFUNDS

2.

FORM 1040

WAGES RECEIVED AND TAXES WITHHELD

STATEMENT 4

T S EMPLOYER'S NAME	AMOUNT PAID	FEDERAL TAX WITHHELD	STATE TAX WITHHELD	CITY SDI TAX W/H	FICA TAX	MEDICARE TAX
S ALASKA LOG BUILDERS LLC	46,198.	4,932.			2,864.	670.
S ALYESKA RESORT MANAGEMENT COMPANY	6,883.	556.			427.	100.
TOTALS	53,081.	5,488.			3,291.	770.

FORM 1040

QUALIFIED DIVIDENDS

STATEMENT 5

NAME OF PAYER	ORDINARY DIVIDENDS	QUALIFIED DIVIDENDS
NORDSTROM	27.	27.
THE WALT DISNEY COMPANY	1.	1.
FROM K-1 - KAANDA LLC	366.	325.
FROM K-1 - TETON, LLC	33.	6.
TOTAL INCLUDED IN FORM 1040, LINE 9B		359.

SCHEDULE A

STATE AND LOCAL INCOME TAXES

STATEMENT 6

DESCRIPTION

AMOUNT

TETON K-1 - STATE TAXES	395.
HAWAII PRIOR YEAR OVERPAYMENT APPLIED	2.
TOTAL TO SCHEDULE A, LINE 5	397.

SCHEDULE D	NET LONG-TERM GAIN OR LOSS FROM FORMS 4797, 2439, 6252, 4684, 6781 AND 8824	STATEMENT 11
------------	--	--------------

DESCRIPTION OF PROPERTY	GAIN OR LOSS	28% GAIN
FORM 4797	3,503.	
TOTAL TO SCHEDULE D, PART II, LINE 11	3,503.	

SCHEDULE D	NET LONG-TERM GAIN OR LOSS FROM PARTNERSHIPS, S CORPORATIONS, AND FIDUCIARIES	STATEMENT 12
------------	--	--------------

DESCRIPTION OF ACTIVITY	GAIN OR LOSS	28% GAIN
KAANDA - PORTFOLIO INCOME	12,953.	
TETON, LLC	19.	
KAANDA ACTIVITY 3 IDLE WHEELS	14,765.	
ROLLY JO, LLC	4.	
TOTAL TO SCHEDULE D, PART II, LINE 12	27,741.	

Form **1040** U.S. Individual Income Tax Return **2008**

Department of the Treasury — Internal Revenue Service

(99) IRS Use Only — Do not write or staple in this space.

Label
(See instructions.)

Use the
IRS label.
Otherwise,
please print
or type.

**Presidential
Election
Campaign**

For the year Jan 1 - Dec 31, 2008, or other tax year beginning 2008, ending 20

OMB No. 1545-0074

ANDREW L. BAUGH
ABBIE M. BAUGH
PO BOX 672
GIRDWOOD, AK 99587

Your social security number

Spouse's social security number

You must enter your
social security
number(s) above.

Checking a box below will not
change your tax or refund.

Check here if you, or your spouse if filing jointly, want \$3 to go to this fund? (see instructions)

☐ You ☐ Spouse

Filing Status

- 1 ☐ Single
2 ☒ Married filing jointly (even if only one had income)
3 ☐ Married filing separately. Enter spouse's SSN above & full name here.
4 ☐ Head of household (with qualifying person). (See instructions.) If the qualifying person is a child but not your dependent, enter this child's name here.
5 ☐ Qualifying widow(er) with dependent child (see instructions)

Check only
one box.

Exemptions

- 6a ☒ Yourself. If someone can claim you as a dependent, do not check box 6a.
b ☒ Spouse.
c Dependents:
(1) First name Last name (2) Dependent's social security number (3) Dependent's relationship to you (4) ☒ If qualifying child for child tax credit (see instrs)
SLOANE A. BAUGH CHILD
d Total number of exemptions claimed 3

If more than
four dependents,
see instructions.

Income

Attach Form(s)
W-2 here. Also
attach Forms
W-2G and 1099-R
if tax was withheld.

If you did not
get a W-2,
see instructions.

Enclose, but do
not attach, any
payment. Also,
please use
Form 1040-V.

7	Wages, salaries, tips, etc. Attach Form(s) W-2	7	19,236.
8a	Taxable interest. Attach Schedule B if required.	8a	2,822.
b	Tax-exempt interest. Do not include on line 8a.	8b	
9a	Ordinary dividends. Attach Schedule B if required.	9a	1,419.
b	Qualified dividends (see instrs).	9b	1,299.
10	Taxable refunds, credits, or offsets of state and local income taxes (see instructions)	10	
11	Alimony received.	11	
12	Business income or (loss). Attach Schedule C or C-EZ.	12	-36,843.
13	Capital gain or (loss). Att Sch D if reqd. If not reqd, ck here.	13	4,545.
14	Other gains or (losses). Attach Form 4797.	14	31.
15a	IRA distributions.	15a	
b	Taxable amount (see instrs).	15b	
16a	Pensions and annuities.	16a	
b	Taxable amount (see instrs).	16b	
17	Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E.	17	19,505.
18	Farm income or (loss). Attach Schedule F.	18	
19	Unemployment compensation.	19	
20a	Social security benefits.	20a	
b	Taxable amount (see instrs).	20b	
21	Other income SEE STATEMENT 2	21	11,934.
22	Add the amounts in the far right column for lines 7 through 21. This is your total income.	22	22,649.

**Adjusted
Gross
Income**

23	Educator expenses (see instructions).	23	
24	Certain business expenses of reservists, performing artists, and fee-basis government officials. Attach Form 2106 or 2106-EZ.	24	
25	Health savings account deduction. Attach Form 8889.	25	
26	Moving expenses. Attach Form 3903.	26	
27	One-half of self-employment tax. Attach Schedule SE.	27	
28	Self-employed SEP, SIMPLE, and qualified plans.	28	
29	Self-employed health insurance deduction (see instructions).	29	
30	Penalty on early withdrawal of savings.	30	
31a	Alimony paid b Recipient's SSN.	31a	
32	IRA deduction (see instructions).	32	
33	Student loan interest deduction (see instructions).	33	
34	Tuition and fees deduction. Attach Form 8917.	34	
35	Domestic production activities deduction. Attach Form 8903.	35	
36	Add lines 23 - 31a and 32 - 35.	36	0.
37	Subtract line 36 from line 22. This is your adjusted gross income.	37	22,649.

BAA For Disclosure, Privacy Act, and Paperwork Reduction Act Notice, see instructions.

FDIA0103L 10/31/08

Form 1040 (2008)

Tax and Credits

38 Amount from line 37 (adjusted gross income) 38 22,649.

39a Check ☐ You were born before January 2, 1944, ☐ Blind. Total boxes checked 39a

If: ☐ Spouse was born before January 2, 1944, ☐ Blind. 39b

Standard Deduction

for —

• People who checked any box on line 39a, 39b, or 39c or who can be claimed as a dependent, see instructions.

• All others:

Single or Married filing separately, \$5,450

Married filing jointly or Qualifying widow(er), \$10,900

Head of household, \$8,000

b If your spouse itemizes on a separate return, or you were a dual-status alien, see instrs and ck here 39c

c Check if standard deduction includes real estate taxes or disaster loss (see instructions) 39c

40 Itemized deductions (from Schedule A) or your standard deduction (see left margin) 40 35,047.

41 Subtract line 40 from line 38 41 -12,398.

42 If line 38 is over \$119,975, or you provided housing to a Midwestern displaced individual, see instructions. Otherwise, multiply \$3,500 by the total number of exemptions claimed on line 6d. 42 10,500.

43 Taxable income. Subtract line 42 from line 41. If line 42 is more than line 41, enter -0- 43 0.

44 Tax (see instrs). Check if any tax is from: a ☐ Form(s) 8814 44 0.

b ☐ Form 4972 44 0.

45 Alternative minimum tax (see instructions). Attach Form 6251 45 0.

46 Add lines 44 and 45 46 0.

47 Foreign tax credit. Attach Form 1116 if required. 47

48 Credit for child and dependent care expenses. Attach Form 2441. 48

49 Credit for the elderly or the disabled. Attach Schedule R. 49

50 Education credits. Attach Form 8863. 50

51 Retirement savings contributions credit. Attach Form 8880. 51

52 Child tax credit (see instructions). Attach Form 8901 if required. 52

53 Credits from Form: a ☐ 8396 b ☐ 8839 c ☐ 5695 53

54 Other crs from Form: a ☐ 3800 b ☐ 8801 c ☐ 54

55 Add lines 47 through 54. These are your total credits. 55

56 Subtract line 55 from line 46. If line 55 is more than line 46, enter -0- 56 0.

Other Taxes

57 Self-employment tax. Attach Schedule SE. 57

58 Unreported social security and Medicare tax from Form: a ☐ 4137 b ☐ 8919 58

59 Additional tax on IRAs, other qualified retirement plans, etc. Attach Form 5329 if required. 59

60 Additional taxes: a ☐ AEC payments b ☐ Household employment taxes. Attach Schedule H. 60

61 Add lines 56-60. This is your total tax. 61 0.

Payments

If you have a qualifying child, attach Schedule EIC.

62 Federal income tax withheld from Forms W-2 and 1099 62 1,372.

63 2008 estimated tax payments and amount applied from 2007 return. 63 3,038.

64a Earned income credit (EIC) 64a

b Nontaxable combat pay election. 64b

65 Excess social security and tier 1 RRTA tax withheld (see instructions). 65

66 Additional child tax credit. Attach Form 8812. 66

67 Amount paid with request for extension to file (see instructions). 67

68 Credits from Form: a ☐ 2439 b ☐ 4136 c ☐ 8801 d ☐ 8885. 68

69 First-time homebuyer credit. Attach Form 5405. 69

70 Recovery rebate credit (see worksheet). 70

71 Add lines 62 through 70. These are your total payments. 71 4,410.

Refund

Direct deposit? See instructions and fill in 73b, 73c, and 73d or Form 8888.

72 If line 71 is more than line 61, subtract line 61 from line 71. This is the amount you overpaid. 72 4,410.

73a Amount of line 72 you want refunded to you. If Form 8888 is attached, check here. 73a 4,410.

b Routing number 125200057 c Type: ☒ Checking ☐ Savings

d Account number 7216765284

74 Amount of line 72 you want applied to your 2009 estimated tax. 74

Amount You Owe

75 Amount you owe. Subtract line 71 from line 61. For details on how to pay, see instructions. 75

76 Estimated tax penalty (see instructions). 76

Third Party Designee

Do you want to allow another person to discuss this return with the IRS (see instructions)? ☒ Yes. Complete the following. ☐ No

Designee's name: PREPARER Phone no. Personal identification number (PIN)

Sign Here

Joint return? See instructions. Keep a copy for your records.

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Your signature Date Your occupation Daytime phone number

MANAGER

Spouse's signature, if a joint return, both must sign. Date Spouse's occupation

HOMEMAKER

Paid Preparer's Use Only

Preparer's signature: MARK E. SCHNEITER Date: 10/15/09 Check if self-employed ☐ Preparer's SSN or PTIN: P00016685

Firm's name (or yours if self-employed): SCHNEITER COLE CPA'S, LLC EIN: 92-0133869

360 WEST BENSON BLVD., STE. 210 Phone no. (907) 562-4242

ANCHORAGE, AK 99503

Name(s) shown on Form 1040:

Your social security number

ANDREW L. AND ABBIE M. BAUGH

Schedule B – Interest and Ordinary Dividends

Attachment
Sequence No. 08Part I
Interest(See instructions
for Form 1040,
line 8a.)Note. If you
received a Form
1099-INT, Form
1099-DIV, or
substitute statement
from a brokerage
firm, list the firm's
name as the payer
and enter the total
interest shown on
that form.

- 1 List name of payer. If any interest is from a seller-financed mortgage and the buyer used the property as a personal residence, see the instructions and list this interest first. Also, show that buyer's social security number and address.

ALASKA OUTDOOR ADVENTURES

DENALI ALASKAN FCU

KAANDA LLC

KIONA, LLC

TETON, LLC

WELLS FARGO

Amount

483.

93.

1,272.

88.

734.

152.

- 2 Add the amounts on line 1.

2,822.

- 3 Excludable interest on series EE and I U.S. savings bonds issued after 1989. Attach Form 8815.

- 4 Subtract line 3 from line 2. Enter the result here and on Form 1040, line 8a.

2,822.

Note. If line 4 is over \$1,500, you must complete Part III.

Part II
Ordinary
Dividends(See
instructions for
Form 1040,
line 9a.)Note. If you
received a Form
1099-DIV or
substitute statement
from a brokerage
firm, list the firm's
name as the payer
and enter the
ordinary dividends
shown on that form.

- 5 List name of payer.

HOPENELL

KAANDA LLC

NORDSTROM

TETON, LLC

WALT DISNEY

WELLS FARGO INVESTMENTS

Amount

1.

253.

32.

28.

1.

1,104.

- 6 Add the amounts on line 5. Enter the total here and on Form 1040, line 9a.

1,419.

Note. If line 6 is over \$1,500, you must complete Part III.

Part III
Foreign
Accounts
and
Trusts(See
instructions.)

You must complete this part if you (a) had over \$1,500 of taxable interest or ordinary dividends; or (b) had a foreign account; or (c) received a distribution from, or were a grantor of, or a transferor to, a foreign trust.

Yes No

- 7a At any time during 2008, did you have an interest in or a signature or other authority over a financial account in a foreign country, such as a bank account, securities account, or other financial account? See instructions for exceptions and filing requirements for Form TD F 90-22.1.

X

- b If 'Yes,' enter the name of the foreign country.

- 8 During 2008, did you receive a distribution from, or were you the grantor of, or transferor to, a foreign trust? If 'Yes,' you may have to file Form 3520. See instructions.

X

SCHEDULE C
(Form 1040)

Profit or Loss From Business
(Sole Proprietorship)

OMB No. 1545-0074

2008

Attachment
Sequence No. **09**

Department of the Treasury
Internal Revenue Service (99)

► Partnerships, joint ventures, etc., generally must file Form 1065 or 1065-B.
► Attach to Form 1040, 1040NR, or 1041. ► See instructions for Schedule C (Form 1040).

Name of proprietor

ANDREW L. BAUGH

Social security number (SSN)

Enter code from instructions

► **531100**

A Principal business or profession, including product or service (see instructions)

STORAGE SPACE RENTALS

C Business name. If no separate business name, leave blank.

76TH PARK & STORE, LLC

D Employer ID number (EIN), if any

26-3062509

E Business address (including suite or room no.)

City, town or post office, state, and ZIP code

F Accounting method: (1) ☒ Cash (2) ☐ Accrual (3) ☐ Other (specify) ►

G Did you 'materially participate' in the operation of this business during 2008? If 'No,' see instructions for limit on losses. ☒ Yes ☐ No

H If you started or acquired this business during 2008, check here. ☒

Income

1 Gross receipts or sales. Caution. See the instructions and check the box if: • This income was reported to you on Form W-2 and the 'Statutory employee' box on that form was checked, or • You are a member of a qualified joint venture reporting only rental real estate income not subject to self-employment tax. Also see instructions for limit on losses. <input type="checkbox"/>	1	31,663.
2 Returns and allowances	2	
3 Subtract line 2 from line 1	3	31,663.
4 Cost of goods sold (from line 42 on page 2)	4	
5 Gross profit. Subtract line 4 from line 3	5	31,663.
6 Other income, including federal and state gasoline or fuel tax credit or refund (see instructions)	6	
7 Gross income. Add lines 5 and 6	7	31,663.

Expenses. Enter expenses for business use of your home only on line 30.

8 Advertising	8	5,738.	18 Office expense	18	714.
9 Car and truck expenses (see instructions)	9	5,090.	19 Pension and profit-sharing plans	19	
10 Commissions and fees	10		20 Rent or lease (see instructions):	20a	
11 Contract labor (see instructions)	11		• Vehicles, machinery, and equipment	20b	
12 Depletion	12		• Other business property	21	558.
13 Depreciation and section 179 expense deduction (not included in Part III) (see instructions)	13	31,626.	22 Repairs and maintenance	22	329.
14 Employee benefit programs (other than on line 19)	14		23 Supplies (not included in Part III)	23	
15 Insurance (other than health)	15	2,406.	24 Taxes and licenses	24a	
16 Interest:			• Travel, meals, and entertainment:	24b	33.
• Mortgage (paid to banks, etc)	16a		• Deductible meals and entertainment (see instructions)	25	
• Other	16b	5,224.	26 Utilities	26	
17 Legal & professional services	17		27 Wages (less employment credits)	27	
28 Total expenses before expenses for business use of home. Add lines 8 through 27	28	67,286.	27 Other expenses (from line 48 on page 2)	27	15,568.
29 Tentative profit or (loss). Subtract line 28 from line 7	29	-35,623.		31	-37,240.
30 Expenses for business use of your home. Attach Form 8829	30	1,617.			
31 Net profit or (loss). Subtract line 30 from line 29. • If a profit, enter on both Form 1040, line 12, and Schedule SE, line 2 or on Form 1040NR, line 13 (if you checked the box on line 1, see instructions). Estates and trusts, enter on Form 1041, line 3. • If a loss, you must go to line 32.					

32 If you have a loss, check the box that describes your investment in this activity (see instructions).

• If you checked 32a, enter the loss on both Form 1040, line 12, and Schedule SE, line 2, or on Form 1040NR, line 13 (if you checked the box on line 1, see the line 31 instructions). Estates and trusts, enter on Form 1041, line 3.

• If you checked 32b, you must attach Form 6198. Your loss may be limited.

32a ☒ All investment is at risk.

32b ☐ Some investment is not at risk.

BAA For Paperwork Reduction Act Notice, see Form 1040 instructions.

Schedule C (Form 1040) 2008

FDZ0112L 11/20/08

Cost of Goods Sold (see instructions)**33** Method(s) used to value closing inventory: **a** ☐ Cost **b** ☐ Lower of cost or market **c** ☐ Other (attach explanation)**34** Was there any change in determining quantities, costs, or valuations between opening and closing inventory?

If 'Yes,' attach explanation.

☐ Yes ☐ No**35** Inventory at beginning of year. If different from last year's closing inventory, attach explanation.**35****36** Purchases less cost of items withdrawn for personal use.**36****37** Cost of labor. Do not include any amounts paid to yourself.**37****38** Materials and supplies.**38****39** Other costs.**39****40** Add lines 35 through 39.**40****41** Inventory at end of year.**41****42** Cost of goods sold. Subtract line 41 from line 40. Enter the result here and on page 1, line 4.**42****Information on Your Vehicle.** Complete this part **only** if you are claiming car or truck expenses on line 9 and are not required to file Form 4562 for this business. See the instructions for line 13 to find out if you must file Form 4562.**43** When did you place your vehicle in service for business purposes? (month, day, year) ▶ _____**44** Of the total number of miles you drove your vehicle during 2008, enter the number of miles you used your vehicle for:**a** Business _____ **b** Commuting (see instructions) _____ **c** Other _____**45** Was your vehicle available for personal use during off-duty hours? ☐ Yes ☐ No**46** Do you (or your spouse) have another vehicle available for personal use? ☐ Yes ☐ No**47a** Do you have evidence to support your deduction? ☐ Yes ☐ No**b** If 'Yes,' is the evidence written? ☐ Yes ☐ No**Other Expenses.** List below business expenses not included on lines 8-26 or line 30.

ACCOUNTING	5,894.
BANK CHARGES	1,315.
COMPUTER, INTERNET	846.
LICENSE	200.
POSTAGE	18.
PRINTING	1,203.
START-UP COSTS	4,518.
TELEPHONE	1,235.
UNIFORMS	339.
48 Total other expenses. Enter here and on page 1, line 27.	48 15,568.

SCHEDULE C
(Form 1040)

Profit or Loss From Business
(Sole Proprietorship)

OMB No. 1545-0074

2008

Attachment
Sequence No. **09**

Department of the Treasury
Internal Revenue Service (99)

► Partnerships, joint ventures, etc., generally must file Form 1065 or 1065-B.
► Attach to Form 1040, 1040NR, or 1041. ► See instructions for Schedule C (Form 1040).

Name of proprietor

ABBIE M. BAUGH

Social security number (SSN)

B Enter code from instructions

► **454390**

D Employer ID number (EIN), if any

A Principal business or profession, including product or service (see instructions)

MULTILEVEL MARKETING

C Business name, if no separate business name, leave blank.

E Business address (including suite or room no.) ►

City, town or post office, state, and ZIP code

F Accounting method: (1) ☒ Cash (2) ☐ Accrual (3) ☐ Other (specify) ►

G Did you 'materially participate' in the operation of this business during 2008? If 'No,' see instructions for limit on losses. ☒ Yes ☐ No

H If you started or acquired this business during 2008, check here. ►

Income

1 Gross receipts or sales. Caution. See the instructions and check the box if: • This income was reported to you on Form W-2 and the 'Statutory employee' box on that form was checked, or • You are a member of a qualified joint venture reporting only rental real estate income not subject to self-employment tax. Also see instructions for limit on losses. <input type="checkbox"/>	1	1,550.
2 Returns and allowances.	2	
3 Subtract line 2 from line 1.	3	1,550.
4 Cost of goods sold (from line 42 on page 2).	4	750.
5 Gross profit. Subtract line 4 from line 3.	5	800.
6 Other income, including federal and state gasoline or fuel tax credit or refund (see instructions).	6	
7 Gross income. Add lines 5 and 6.	7	800.

Expenses. Enter expenses for business use of your home only on line 30.

8 Advertising.	8		18 Office expense.	18	
9 Car and truck expenses (see instructions).	9		19 Pension and profit-sharing plans.	19	
10 Commissions and fees.	10		20 Rent or lease (see instructions):		
11 Contract labor (see instructions).	11		a Vehicles, machinery, and equipment.	20a	
12 Depletion.	12		b Other business property.	20b	
13 Depreciation and section 179 expense deduction (not included in Part III) (see instructions).	13		21 Repairs and maintenance.	21	
14 Employee benefit programs (other than on line 19).	14		22 Supplies (not included in Part III).	22	
15 Insurance (other than health).	15		23 Taxes and licenses.	23	
16 Interest:			24 Travel, meals, and entertainment:		
a Mortgage (paid to banks, etc).	16a		a Travel.	24a	
b Other.	16b		b Deductible meals and entertainment (see instructions).	24b	150.
17 Legal & professional services.	17		25 Utilities.	25	
			26 Wages (less employment credits).	26	
			27 Other expenses (from line 48 on page 2).	27	253.

28 Total expenses before expenses for business use of home. Add lines 8 through 27.	28	403.
29 Tentative profit or (loss). Subtract line 28 from line 7.	29	397.
30 Expenses for business use of your home. Attach Form 8829.	30	
31 Net profit or (loss). Subtract line 30 from line 29. • If a profit, enter on both Form 1040, line 12, and Schedule SE, line 2 or on Form 1040NR, line 13 (if you checked the box on line 1, see instructions). Estates and trusts, enter on Form 1041, line 3. • If a loss, you must go to line 32.	31	397.

32 If you have a loss, check the box that describes your investment in this activity (see instructions).

• If you checked 32a, enter the loss on both Form 1040, line 12, and Schedule SE, line 2, or on Form 1040NR, line 13 (if you checked the box on line 1, see the line 31 instructions). Estates and trusts, enter on Form 1041, line 3.

• If you checked 32b, you must attach Form 6199. Your loss may be limited.

32 a ☐ All investment is at risk.
32 b ☐ Some investment is not at risk.

BAA For Paperwork Reduction Act Notice, see Form 1040 instructions.

Schedule C (Form 1040) 2008

FDZ0112L 11/20/08

SCHEDULE E

(Form 1040)

Department of the Treasury
Internal Revenue Service (99)**Supplemental Income and Loss**(From rental real estate, royalties, partnerships,
S corporations, estates, trusts, REMICs, etc.)▶ Attach to Form 1040, 1040NR, or Form 1041.
▶ See Instructions for Schedule E (Form 1040).

OMB No. 1545-0074

2008Attachment
Sequence No. **13**

Name(s) shown on return

ANDREW L. AND ABBIE M. BAUGH

Your social security number

Income or Loss From Rental Real Estate and Royalties Note. If you are in the business of renting personal property, use
Schedule C or C-EZ (see instructions). If you are an individual, report farm rental income or loss from Form 4835 on page 2, line 40.

1 List the type and address of each rental real estate property:		2 For each rental real estate property listed on line 1, did you or your family use it during the tax year for personal purposes for more than the greater of: • 14 days, or • 10% of the total days rented at fair rental value? (See instructions.)			Yes	No
A	B	C				
A RESIDENCE	LAKE SAMMAMISH, WA 98008					X
B MOBILE HOME	ANCHORAGE, AK 99503					X
C 1/2 INTEREST IN CABIN	GIRDWOOD, AK 99587					X

Income:	Properties			Totals (Add columns A, B, and C.)	
	A	B	C		
3 Rents received	3 1,333.	8,500.	4,200.	3 14,033.	
4 Royalties received	4			4	
Expenses:					
5 Advertising	5				
6 Auto and travel (see instructions)	6				
7 Cleaning and maintenance	7				
8 Commissions	8				
9 Insurance	9		175.		
10 Legal and other professional fees	10				
11 Management fees	11				
12 Mortgage interest paid to banks, etc (see instructions)	12			12	
13 Other interest	13				
14 Repairs	14		500.		
15 Supplies	15				
16 Taxes	16				
17 Utilities	17				
18 Other (list) ▶	18				
SPACE RENTAL		4,500.	1,500.		
19 Add lines 5 through 18	19		4,500.	2,175.	19 6,675.
20 Depreciation expense or depletion (see instructions)	20	488.	70.	261.	20 819.
21 Total expenses. Add lines 19 and 20	21	488.	4,570.	2,436.	
22 Income or (loss) from rental real estate or royalty properties. Subtract line 21 from line 3 (rents) or line 4 (royalties). If the result is a (loss), see instructions to find out if you must file Form 6198	22	845.	3,930.	1,764.	
23 Deductible rental real estate loss. Caution: Your rental real estate loss on line 22 may be limited. See instructions to find out if you must file Form 8582. Real estate professionals must complete line 43 on page 2	23				
24 Income. Add positive amounts shown on line 22. Do not include any losses	24				24 6,539.
25 Losses. Add royalty losses from line 22 and rental real estate losses from line 23. Enter total losses here	25				
26 Total rental real estate and royalty income or (loss). Combine lines 24 and 25. Enter the result here. If Parts II, III, IV, and line 40 on page 2 do not apply to you, also enter this amount on Form 1040, line 17, or Form 1040NR, line 18. Otherwise, include this amount in the total on line 41 on page 2	26				26 6,539.

Name(s) shown on return. Do not enter name and social security number if shown on Page 1.

Your social security number

ANDREW L. AND ABBIE M. BAUGH

Caution: The IRS compares amounts reported on your tax return with amounts shown on Schedule(s) K-1.

Income or Loss From Partnerships and S Corporations

Note. If you report a loss from an at-risk activity for which any amount is not at risk, you must check the box in column (e) on line 28 and attach Form 6198. See instructions.

- 27 Are you reporting any loss not allowed in a prior year due to the at-risk or basis limitations, a prior year unallowed loss from a passive activity (if that loss was not reported on Form 8582), or unreimbursed partnership expenses? ... ☐ Yes ☒ No
If you answered 'Yes,' see instructions before completing this section.

28	(a) Name	(b) Enter P for partnership; S for S corporation	(c) Check if foreign partnership	(d) Employer identification number	(e) Check if any amount is not at risk
A	SEE STATEMENT 5				
B					
C					
D					

Passive Income and Loss		Nonpassive Income and Loss	
(f) Passive loss allowed (attach Form 8582 if required)	(g) Passive income from Schedule K-1	(h) Nonpassive loss from Schedule K-1	(i) Section 179 expense deduction from Form 4562
A			
B			
C			
D			
29 a Totals	53,078.		
b Totals	40,112.		
30 Add columns (g) and (i) of line 29a		30	53,078.
31 Add columns (f), (h), and (i) of line 29b		31	-40,112.
32 Total partnership and S corporation income or (loss). Combine lines 30 and 31. Enter the result here and include in the total on line 41 below		32	12,966.

Income or Loss From Estates and Trusts

33	(a) Name	(b) Employer ID no.
A		
B		

Passive Income and Loss		Nonpassive Income and Loss	
(c) Passive deduction or loss allowed (attach Form 8582 if required)	(d) Passive income from Schedule K-1	(e) Deduction or loss from Schedule K-1	(f) Other income from Schedule K-1
A			
B			
34 a Totals			
b Totals			
35 Add columns (d) and (f) of line 34a		35	
36 Add columns (c) and (e) of line 34b		36	
37 Total estate and trust income or (loss). Combine lines 35 and 36. Enter the result here and include in the total on line 41 below		37	

Income or Loss From Real Estate Mortgage Investment Conduits (REMICs) — Residual Holder

38	(a) Name	(b) Employer identification number	(c) Excess inclusion from Schedules Q, line 2c (see instructions)	(d) Taxable income (net loss) from Schedules Q, line 1b	(e) Income from Schedules Q, line 3b
39	Combine columns (d) and (e) only. Enter the result here and include in the total on line 41 below				39

Summary

40	Net farm rental income or (loss) from Form 4835. Also, complete line 42 below	40	
41	Total income or (loss). Combine lines 26, 32, 37, 39, and 40. Enter the result here and on Form 1040, line 17, or Form 1040NR, line 18	41	19,505.
42	Reconciliation of farming and fishing income. Enter your gross farming and fishing income reported on Form 4835, line 7; Schedule K-1 (Form 1065), box 14, code B; Schedule K-1 (Form 1120S), box 17, code T; and Schedule K-1 (Form 1041), line 14, code F (see instructions)	42	
43	Reconciliation for real estate professionals. If you were a real estate professional (see instructions), enter the net income or (loss) you reported anywhere on Form 1040 or Form 1040NR from all rental real estate activities in which you materially participated under the passive activity loss rules	43	

2008

FEDERAL STATEMENTS

PAGE 1

CLIENT BAUGHA

ANDREW L. AND ABBIE M. BAUGH

10/15/09

10:29AM

STATEMENT 1
FORM 1040
WAGE SCHEDULE

SPOUSE - EMPLOYER	WAGES	FEDERAL W/H	FICA	MEDI- CARE	STATE W/H	LOCAL W/H
ALYESKA RESORT MANAGEMENT COMP	19,236.	1,372.	1,193.	279.		
GRAND TOTAL	<u>19,236.</u>	<u>1,372.</u>	<u>1,193.</u>	<u>279.</u>	<u>0.</u>	<u>0.</u>

STATEMENT 2
FORM 1040, LINE 21
OTHER INCOME

ALASKA PERMANENT FUND DIVIDENDS.....	\$	6,538.
INVESTMENT INTEREST ADJUSTMENT.....		6,498.
INVESTMENT INTEREST CARRYOVER.....		-6,498.
TETON, LLC FORM 1099-MISC.....		5,396.
TOTAL	\$	<u>11,934.</u>

STATEMENT 3
SCHEDULE A, LINE 10
HOME MORTGAGE INTEREST REPORTED ON FORM 1098

HOME OFFICE NONBUSINESS ALLOCATION.....	\$	6,617.
TOTAL	\$	<u>6,617.</u>

STATEMENT 4
SCHEDULE A, LINE 17
CONTRIBUTIONS OTHER THAN CASH

.....	\$	150.
TOTAL	\$	<u>150.</u>

2008

FEDERAL STATEMENTS

PAGE 2

CLIENT BAUGH

ANDREW L. AND ABBIE M. BAUGH

10/15/09

10:29AM

STATEMENT 5
 SCHEDULE E, PAGE 2
 PART II - INCOME OR LOSS FROM PARTNERSHIPS AND S CORPORATIONS

NAME	TYPE	X IF FOREIGN	EMPLOYER I.D. NO.	ANY INST. NOT AT RISK	PTP	PASSIVE LOSS FROM FORM 8582	PASSIVE INC. FROM SCH. K-1	NONPASSIVE LOSS FROM SCH. K-1	SECTION 179 DEDUCTION	NONPASSIVE INCOME FROM K-1
KAANDA LLC	P		92-0161254				\$ 42,175.			
KIONA, LLC	P		55-0857166			\$ 23,201.				
TETON, LLC	P		72-1588514				10,903.			
TETON, LLC - SEC 754 DEDUCTION	P		72-1588514			16,449.				
ALASKA SNOW SAFARI, INC.	S		51-0430523			482.				
TOTAL						\$ 40,112.	\$ 53,078.	\$ 0.	\$ 0.	\$ 0.

Label
(See instructions.)

Use the IRS label.
Otherwise, please print or type.

Presidential Election Campaign

For the year Jan 1 - Dec 31, 2009, or other tax year beginning , 2009, ending , 20

OMB No. 1545-0074

ANDREW L. BAUGH
ABBIE M. BAUGH
PO BOX 672
GIRDWOOD, AK 99587

Your social security number
[REDACTED]

Spouse's social security number
[REDACTED]

You must enter your social security number(s) above.

Checking a box below will not change your tax or refund.

Check here if you, or your spouse if filing jointly, want \$3 to go to this fund? (see instructions)..... ☐ You ☐ Spouse

Filing Status

1 ☐ Single

2 ☒ Married filing jointly (even if only one had income)

3 ☐ Married filing separately. Enter spouse's SSN above & full name here, .

4 ☐ Head of household (with qualifying person). (See instructions.) If the qualifying person is a child but not your dependent, enter this child's name here

5 ☐ Qualifying widow(er) with dependent child (see instructions)

Exemptions

6a ☒ Yourself. If someone can claim you as a dependent, do not check box 6a.

b ☒ Spouse.

c Dependents:

(1) First name	Last name	(2) Dependent's social security number	(3) Dependent's relationship to you	(4) <input checked="" type="checkbox"/> If qualifying child for child tax credit (see instrs)
SLOANE A.	BAUGH	[REDACTED]	CHILD	<input checked="" type="checkbox"/>
				<input type="checkbox"/>
				<input type="checkbox"/>
				<input type="checkbox"/>

If more than four dependents, see instructions and check here ☐

d Total number of exemptions claimed..... 3

Income

7 Wages, salaries, tips, etc. Attach Form(s) W-2..... 7

8a Taxable interest. Attach Schedule B if required..... 8a 1,319.

b Tax-exempt interest. Do not include on line 8a..... 8b

9a Ordinary dividends. Attach Schedule B if required..... 9a 231.

b Qualified dividends (see instrs)..... 9b 166.

10 Taxable refunds, credits, or offsets of state and local income taxes (see instructions)..... 10

11 Alimony received..... 11

12 Business income or (loss). Attach Schedule C or C-EZ..... 12 4,564.

13 Capital gain or (loss). Att Sch D if reqd. If not reqd, ck here..... 13 835.

14 Other gains or (losses). Attach Form 4797..... 14 2.

15a IRA distributions..... 15a b Taxable amount (see instrs)..... 15b

16a Pensions and annuities..... 16a b Taxable amount (see instrs)..... 16b

17 Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E..... 17 36,383.

18 Farm income or (loss). Attach Schedule F..... 18

19 Unemployment compensation in excess of \$2,400 per recipient (see instructions)..... 19

20a Social security benefits..... 20a b Taxable amount (see instrs)..... 20b

21 Other income SEE STATEMENT 1..... 21 10,115.

22 Add the amounts in the far right column for lines 7 through 21. This is your total income..... 22 53,449.

Adjusted Gross Income

23 Educator expenses (see instructions)..... 23

24 Certain business expenses of reservists, performing artists, and fee-basis government officials. Attach Form 2106 or 2106-EZ..... 24

25 Health savings account deduction. Attach Form 8889..... 25

26 Moving expenses. Attach Form 3903..... 26

27 One-half of self-employment tax. Attach Schedule SE..... 27 853.

28 Self-employed SEP, SIMPLE, and qualified plans..... 28

29 Self-employed health insurance deduction (see instructions)..... 29

30 Penalty on early withdrawal of savings..... 30

31a Alimony paid b Recipient's SSN..... 31a

32 IRA deduction (see instructions)..... 32

33 Student loan interest deduction (see instructions)..... 33

34 Tuition and fees deduction. Attach Form 8917..... 34

35 Domestic production activities deduction. Attach Form 8903..... 35

36 Add lines 23 - 31a and 32 - 35..... 36 853.

37 Subtract line 36 from line 22. This is your adjusted gross income..... 37 52,596.

Tax and Credits**Standard Deduction for —**

• People who check any box on line 39a, 39b, or 40b or who can be claimed as a dependent, see instructions.

• All others:

Single or Married filing separately, \$5,700

Married filing jointly or Qualifying widow(er), \$11,400

Head of household, \$8,350

38	Amount from line 37 (adjusted gross income)	38	52,596.
39a	Check if: <input type="checkbox"/> You were born before January 2, 1945, <input type="checkbox"/> Blind. Total boxes checked <input type="checkbox"/> 39a		
	<input type="checkbox"/> Spouse was born before January 2, 1945, <input type="checkbox"/> Blind. checked <input type="checkbox"/> 39b		
40a	Itemized deductions (from Schedule A) or your standard deduction (see left margin)	40a	25,167.
40b	If you are increasing your standard deduction by certain real estate taxes, new motor vehicle taxes, or a net disaster loss, attach Schedule L and check here (see instructions)	40b	
41	Subtract line 40a from line 38	41	27,429.
42	Exemptions. If line 38 is \$125,100 or less and you did not provide housing to a Midwestern displaced individual, multiply \$3,650 by the number on line 6d. Otherwise, see instructions	42	10,950.
43	Taxable income. Subtract line 42 from line 41. If line 42 is more than line 41, enter -0-	43	16,479.
44	Tax (see instrs). Check if any tax is from: a <input checked="" type="checkbox"/> Form(s) 8814 b <input type="checkbox"/> Form 4972	44	1,604.
45	Alternative minimum tax (see instructions). Attach Form 6251	45	0.
46	Add lines 44 and 45	46	1,604.
47	Foreign tax credit. Attach Form 1116 if required	47	
48	Credit for child and dependent care expenses. Attach Form 2441	48	
49	Education credits from Form 8863, line 29	49	
50	Retirement savings contributions credit. Attach Form 8880	50	
51	Child tax credit (see instructions)	51	1,000.
52	Credits from Form: a <input type="checkbox"/> 8396 b <input type="checkbox"/> 8839 c <input type="checkbox"/> 5695	52	
53	Other crs from Form: a <input type="checkbox"/> 3800 b <input type="checkbox"/> 8801 c <input type="checkbox"/>	53	
54	Add lines 47 through 53. These are your total credits	54	1,000.
55	Subtract line 54 from line 46. If line 54 is more than line 46, enter -0-	55	604.
56	Self-employment tax. Attach Schedule SE	56	1,705.
57	Unreported social security and Medicare tax from Form: a <input type="checkbox"/> 4137 b <input type="checkbox"/> 8919	57	
58	Additional tax on IRAs, other qualified retirement plans, etc. Attach Form 5329 if required	58	
59	Additional taxes: a <input type="checkbox"/> AEIC payments b <input type="checkbox"/> Household employment taxes. Attach Schedule H	59	
60	Add lines 55-59. This is your total tax	60	2,309.

Other Taxes**Payments**

If you have a qualifying child, attach Schedule EIC.

61	Federal income tax withheld from Forms W-2 and 1099	61	
62	2009 estimated tax payments and amount applied from 2008 return	62	
63	Making work pay and government retiree credit. Attach Schedule M	63	695.
64a	Earned income credit (EIC)	64a	
	b Nontaxable combat pay election <input type="checkbox"/> 64b		
65	Additional child tax credit. Attach Form 8812	65	
66	Refundable education credit from Form 8863, line 16	66	
67	First-time homebuyer credit. Attach Form 5405	67	
68	Amount paid with request for extension to file (see instructions)	68	
69	Excess social security and tier 1 RRTA tax withheld (see instructions)	69	
70	Credits from Form: a <input type="checkbox"/> 2439 b <input type="checkbox"/> 4136 c <input type="checkbox"/> 8801 d <input type="checkbox"/> 8885	70	
71	Add lines 61-63, 64a, & 65-70. These are your total payments	71	695.

Refund

Direct deposit? See instructions and fill in 73b, 73c, and 73d or Form 8888.

72	If line 71 is more than line 60, subtract line 60 from line 71. This is the amount you overpaid	72	
73a	Amount of line 72 you want refunded to you. If Form 8888 is attached, check here <input type="checkbox"/> 73a		
	b Routing number <input type="checkbox"/> c Type: <input type="checkbox"/> Checking <input type="checkbox"/> Savings		
	d Account number <input type="checkbox"/>		
74	Amount of line 72 you want applied to your 2010 estimated tax	74	
75	Amount you owe. Subtract line 71 from line 60. For details on how to pay, see instructions	75	1,614.
76	Estimated tax penalty (see instructions)	76	

Third Party Designee

Do you want to allow another person to discuss this return with the IRS (see instructions)? ☒ Yes. Complete the following. ☐ No

Designee's name **MARK E. SCHNEITER** Phone no. **907-562-4242** Personal identification number (PIN) **16685**

Sign Here

Joint return? See instructions.

Keep a copy for your records.

Your signature	Date	Your occupation	Daytime phone number
MARK E. SCHNEITER	10/13/10	MANAGER	
Spouse's signature. If a joint return, both must sign.	Date	Spouse's occupation	
		HOMEMAKER	

Paid Preparer's Use Only

Preparer's signature MARK E. SCHNEITER	Date 10/13/10	Check if self-employed <input type="checkbox"/>	Preparer's SSN or PTIN P00016685
Firm's name (or yours if self-employed) SCHNEITER COLE CPA'S, LLC	EIN 92-0133869		
Address 235 EAST 8TH AVE., STE. 3B	Phone no. (907) 562-4242		
City and ZIP code ANCHORAGE, AK 99501			

SEE STATEMENT 2

1,695.

Form 1040 (2009)

FDIA0112L 09/17/09

EXC. 514

Exhibit No. 2003
Page 17 of 96

SCHEDULE C
(Form 1040)

Department of the Treasury
Internal Revenue Service (99)

Profit or Loss From Business
(Sole Proprietorship)

► Partnerships, joint ventures, etc., generally must file Form 1065 or 1065-B.
► Attach to Form 1040, 1040NR, or 1041. ► See instructions for Schedule C (Form 1040).

OMB No. 1545-0074

2009

Attachment
Sequence No. 09

Name of proprietor

ANDREW L. BAUGH

Social security number (SSN)

B Enter code from instructions

► 531100

A Principal business or profession, including product or service (see instructions)

STORAGE SPACE RENTALS

C Business name, if no separate business name, leave blank.

76TH PARK & STORE, LLC

D Employer ID number (EIN), if any

26-3062509

E Business address (including suite or room no.)

City, town or post office, state, and ZIP code

F Accounting method: (1) ☒ Cash (2) ☐ Accrual (3) ☐ Other (specify) ►

G Did you 'materially participate' in the operation of this business during 2009? If 'No,' see instructions for limit on losses. ☒ Yes ☐ No

H If you started or acquired this business during 2009, check here

Part I Income

1	Gross receipts or sales. Caution. See the instructions and check the box if: • This income was reported to you on Form W-2 and the 'Statutory employee' box on that form was checked, or • You are a member of a qualified joint venture reporting only rental real estate income not subject to self-employment tax. Also see instructions for limit on losses. <input type="checkbox"/>	1	76,691.
2	Returns and allowances	2	518.
3	Subtract line 2 from line 1.	3	76,173.
4	Cost of goods sold (from line 42 on page 2)	4	
5	Gross profit. Subtract line 4 from line 3.	5	76,173.
6	Other income, including federal and state gasoline or fuel tax credit or refund (see instructions)	6	
7	Gross income. Add lines 5 and 6.	7	76,173.

Part II Expenses. Enter expenses for business use of your home only on line 30.

8	Advertising	8	1,190.	18	Office expense	18	637.
9	Car and truck expenses (see instructions)	9	4,648.	19	Pension and profit-sharing plans	19	
10	Commissions and fees	10		20	Rent or lease (see instructions):	20a	894.
11	Contract labor (see instructions)	11			a Vehicles, machinery, and equipment	20b	
12	Depletion	12		21	Repairs and maintenance	21	3,883.
13	Depreciation and section 179 expense deduction (not included in Part III) (see instructions)	13	16,415.	22	Supplies (not included in Part III)	22	
14	Employee benefit programs (other than on line 19)	14		23	Taxes and licenses	23	
15	Insurance (other than health)	15	1,806.	24	Travel, meals, and entertainment:	24a	
16	Interest:				a Travel	24b	35.
	a Mortgage (paid to banks, etc.)	16a		25	Utilities	25	1,866.
	b Other	16b	18,111.	26	Wages (less employment credits)	26	
17	Legal & professional services	17		27	Other expenses (from line 48 on page 2)	27	18,635.
28	Total expenses before expenses for business use of home. Add lines 8 through 27.	28	68,120.				
29	Tentative profit or (loss). Subtract line 28 from line 7.	29	8,053.				
30	Expenses for business use of your home. Attach Form 8829.	30	3,489.				
31	Net profit or (loss). Subtract line 30 from line 29. • If a profit, enter on both Form 1040, line 12, and Schedule SE, line 2 or on Form 1040NR, line 13 (if you checked the box on line 1, see instructions). Estates and trusts, enter on Form 1041, line 3. • If a loss, you must go to line 32.	31	4,564.				

32 If you have a loss, check the box that describes your investment in this activity (see instructions).

• If you checked 32a, enter the loss on both Form 1040, line 12, and Schedule SE, line 2, or on Form 1040NR, line 13 (if you checked the box on line 1, see the line 31 instructions). Estates and trusts, enter on Form 1041, line 3.

• If you checked 32b, you must attach Form 6198. Your loss may be limited.

32a ☐ All investment is at risk.

32b ☐ Some investment is not at risk.

BAA For Paperwork Reduction Act Notice, see Form 1040 instructions.

Schedule C (Form 1040) 2009

FD120112L 06/18/09

Part II Cost of Goods Sold (see instructions)

33	Method(s) used to value closing inventory: a <input type="checkbox"/> Cost b <input type="checkbox"/> Lower of cost or market c <input type="checkbox"/> Other (attach explanation)	
34	Was there any change in determining quantities, costs, or valuations between opening and closing inventory? If 'Yes,' attach explanation	<input type="checkbox"/> Yes <input type="checkbox"/> No
35	Inventory at beginning of year. If different from last year's closing inventory, attach explanation	35
36	Purchases less cost of items withdrawn for personal use	36
37	Cost of labor. Do not include any amounts paid to yourself	37
38	Materials and supplies	38
39	Other costs	39
40	Add lines 35 through 39	40
41	Inventory at end of year	41
42	Cost of goods sold. Subtract line 41 from line 40. Enter the result here and on page 1, line 4	42

Part IV Information on Your Vehicle. Complete this part **only** if you are claiming car or truck expenses on line 9 and are not required to file Form 4562 for this business. See the instructions for line 13 to find out if you must file Form 4562.

43 When did you place your vehicle in service for business purposes? (month, day, year) ▶ _____

44 Of the total number of miles you drove your vehicle during 2009, enter the number of miles you used your vehicle for:
a Business _____ b Commuting (see instructions) _____ c Other _____

45 Was your vehicle available for personal use during off-duty hours? ☐ Yes ☐ No

46 Do you (or your spouse) have another vehicle available for personal use? ☐ Yes ☐ No

47 a Do you have evidence to support your deduction? ☐ Yes ☐ No
b If 'Yes,' is the evidence written? ☐ Yes ☐ No

Part V Other Expenses. List below business expenses not included on lines 8-26 or line 30.

SEE STATEMENT 5

48	Total other expenses. Enter here and on page 1, line 27	48	18,635.
----	--	----	---------

Schedule C (Form 1040) 2009

SCHEDULE E
(Form 1040)

Department of the Treasury
Internal Revenue Service (99)

Supplemental Income and Loss
(From rental real estate, royalties, partnerships,
S corporations, estates, trusts, REMICs, etc)
▶ Attach to Form 1040, 1040NR, or Form 1041.
▶ See Instructions for Schedule E (Form 1040).

OMB No. 1545-0074

2009

Attachment
Sequence No. **13**

Name(s) shown on return

ANDREW L. AND ABBIE M. BAUGH

Your social security number

Part I Income or Loss From Rental Real Estate and Royalties Note. If you are in the business of renting personal property, use
Schedule C or C-EZ (see instructions). If you are an individual, report farm rental income or loss from Form 4835 on page 2, line 40.

1	List the type and address of each rental real estate property:	2	For each rental real estate property listed on line 1, did you or your family use it during the tax year for personal purposes for more than the greater of: • 14 days, or • 10% of the total days rented at fair rental value? (See instructions.)	Yes	No
A	RESIDENCE LAKE SAMMAMISH, WA 98008				X
B	MOBILE HOME #1 ANCHORAGE, AK 99503				X
C	1/2 INTEREST IN CABIN GIRDWOOD, AK 99587				X

Income:		Properties			Totals
		A	B	C	(Add columns A, B, and C.)
3	Rents received	1,333.	8,400.	4,500.	14,233.
4	Royalties received				
Expenses:					
5	Advertising				
6	Auto and travel (see instructions)				
7	Cleaning and maintenance				
8	Commissions				
9	Insurance			165.	
10	Legal and other professional fees	100.	100.	100.	
11	Management fees				
12	Mortgage interest paid to banks, etc (see instructions)				12
13	Other interest				
14	Repairs				
15	Supplies				
16	Taxes				
17	Utilities				
18	Other (list) ▶ SPACE RENTAL		4,500.	1,500.	
19	Add lines 5 through 18	100.	4,600.	1,765.	6,465.
20	Depreciation expense or depletion (see instructions)	509.	73.	273.	855.
21	Total expenses. Add lines 19 and 20	609.	4,673.	2,038.	
22	Income or (loss) from rental real estate or royalty properties. Subtract line 21 from line 3 (rents) or line 4 (royalties). If the result is a (loss), see instructions to find out if you must file Form 6198	724.	3,727.	2,462.	
23	Deductible rental real estate loss. Caution. Your rental real estate loss on line 22 may be limited. See instructions to find out if you must file Form 8582. Real estate professionals must complete line 43 on page 2				
24	Income. Add positive amounts shown on line 22. Do not include any losses.				6,913.
25	Losses. Add royalty losses from line 22 and rental real estate losses from line 23. Enter total losses here.				
26	Total rental real estate and royalty income or (loss). Combine lines 24 and 25. Enter the result here. If Parts II, III, IV, and line 40 on page 2 do not apply to you, also enter this amount on Form 1040, line 17, or Form 1040NR, line 18. Otherwise, include this amount in the total on line 41 on page 2				6,913.

SCHEDULE E
(Form 1040)

Department of the Treasury
Internal Revenue Service (99)

Supplemental Income and Loss
(From rental real estate, royalties, partnerships,
S corporations, estates, trusts, REMICs, etc)
▶ Attach to Form 1040, 1040NR, or Form 1041.
▶ See instructions for Schedule E (Form 1040).

OMB No. 1545-0074

2009

Attachment
Sequence No. **13**

Name(s) shown on return

ANDREW L. AND ABBIE M. BAUGH

Your social security number

Part I Income or Loss From Rental Real Estate and Royalties Note. If you are in the business of renting personal property, use
Schedule C or C-EZ (see instructions). If you are an individual, report farm rental income or loss from Form 4835 on page 2, line 40.

1	List the type and address of each rental real estate property:	2	For each rental real estate property listed on line 1, did you or your family use it during the tax year for personal purposes for more than the greater of: • 14 days, or • 10% of the total days rented at fair rental value? (See instructions.)	Yes	No
A	MOBILE HOME #2 ANCHORAGE, AK 99503				X
B					
C					

Income:		Properties			Totals (Add columns A, B, and C.)
		A	B	C	
3	Rents received				3
4	Royalties received				4
Expenses:					
5	Advertising				
6	Auto and travel (see instructions)				
7	Cleaning and maintenance				
8	Commissions				
9	Insurance				
10	Legal and other professional fees				
11	Management fees				
12	Mortgage interest paid to banks, etc (see instructions)				12
13	Other interest				
14	Repairs				
15	Supplies				
16	Taxes				
17	Utilities				
18	Other (list) ▶				
19	Add lines 5 through 18				19
20	Depreciation expense or depletion (see instructions)				20
21	Total expenses. Add lines 19 and 20				
22	Income or (loss) from rental real estate or royalty properties. Subtract line 21 from line 3 (rents) or line 4 (royalties). If the result is a (loss), see instructions to find out if you must file Form 6198				22
23	Deductible rental real estate loss. Caution. Your rental real estate loss on line 22 may be limited. See instructions to find out if you must file Form 8582. Real estate professionals must complete line 43 on page 2				23
24	Income. Add positive amounts shown on line 22. Do not include any losses				24
25	Losses. Add royalty losses from line 22 and rental real estate losses from line 23. Enter total losses here				25
26	Total rental real estate and royalty income or (loss). Combine lines 24 and 25. Enter the result here. If Parts II, III, IV, and line 40 on page 2 do not apply to you, also enter this amount on Form 1040, line 17, or Form 1040NR, line 18. Otherwise, include this amount in the total on line 41 on page 2				26

Name(s) shown on return. Do not enter name and social security number if shown on Page 1.

Your social security number

ANDREW L. AND ABBIE M. BAUGH

Caution: The IRS compares amounts reported on your tax return with amounts shown on Schedule(s) K-1.

Income or Loss From Partnerships and S Corporations

Note. If you report a loss from an at-risk activity for which any amount is not at risk, you must check the box in column (e) on line 28 and attach Form 6198. See instructions.

- 27 Are you reporting any loss not allowed in a prior year due to the at-risk or basis limitations, a prior year unallowed loss from a passive activity (if that loss was not reported on Form 8582), or unreimbursed partnership expenses? ☐ Yes ☒ No
- If you answered 'Yes,' see instructions before completing this section.

28	(a) Name	(b) Enter P for partnership; S for S corporation	(c) Check if foreign partnership	(d) Employer identification number	(e) Check if any amount is not at risk
A	SEE STATEMENT 6				
B					
C					
D					

Passive Income and Loss		Nonpassive Income and Loss		
(f) Passive loss allowed (attach Form 8582 if required)	(g) Passive income from Schedule K-1	(h) Nonpassive loss from Schedule K-1	(i) Section 179 expense deduction from Form 4562	(j) Nonpassive income from Schedule K-1
A				
B				
C				
D				
29a Totals	68,284.			
b Totals	38,814.			
30 Add columns (g) and (j) of line 29a			30	68,284.
31 Add columns (f), (h), and (i) of line 29b			31	-38,814.
32 Total partnership and S corporation income or (loss). Combine lines 30 and 31. Enter the result here and include in the total on line 41 below			32	29,470.

Part III Income or Loss From Estates and Trusts

33	(a) Name	(b) Employer ID no.
A		
B		

Passive Income and Loss		Nonpassive Income and Loss	
(c) Passive deduction or loss allowed (attach Form 8582 if required)	(d) Passive income from Schedule K-1	(e) Deduction or loss from Schedule K-1	(f) Other income from Schedule K-1
A			
B			
34a Totals			
b Totals			
35 Add columns (d) and (f) of line 34a		35	
36 Add columns (c) and (e) of line 34b		36	
37 Total estate and trust income or (loss). Combine lines 35 and 36. Enter the result here and include in the total on line 41 below		37	

Part IV Income or Loss From Real Estate Mortgage Investment Conduits (REMICs) – Residual Holder

38	(a) Name	(b) Employer identification number	(c) Excess inclusion from Schedules Q, line 2c (see instructions)	(d) Taxable income (net loss) from Schedules Q, line 1b	(e) Income from Schedules Q, line 3b
39	Combine columns (d) and (e) only. Enter the result here and include in the total on line 41 below				39

Part V Summary

40	Net farm rental income or (loss) from Form 4835. Also, complete line 42 below	40	
41	Total income or (loss). Combine lines 26, 32, 37, 39, and 40. Enter the result here and on Form 1040, line 17, or Form 1040NR, line 18	41	36,383.
42	Reconciliation of farming and fishing income. Enter your gross farming and fishing income reported on Form 4835, line 7; Schedule K-1 (Form 1065), box 14, code B; Schedule K-1 (Form 1120S), box 17, code U; and Schedule K-1 (Form 1041), line 14, code F (see instructions)	42	
43	Reconciliation for real estate professionals. If you were a real estate professional (see instructions), enter the net income or (loss) you reported anywhere on Form 1040 or Form 1040NR from all rental real estate activities in which you materially participated under the passive activity loss rules	43	

2009

FEDERAL STATEMENTS

PAGE 1

CLIENT BAUGHA

ANDREW L. AND ABBIE M. BAUGH

10/13/10

05:25PM

**STATEMENT 1
FORM 1040, LINE 21
OTHER INCOME**

ALASKA PERMANENT FUND DIVIDENDS.....	\$	2,610.
INVESTMENT INTEREST ADJUSTMENT.....		6,498.
INVESTMENT INTEREST CARRYOVER.....		-6,498.
TETON, LLC FORM 1099-MISC.....		7,505.
TOTAL	\$	<u>10,115.</u>

**STATEMENT 2
FORM 1040, PAGE 2
PENALTIES**

TAX DUE BEFORE PENALTIES.....	\$	1,614.
LATE PAYMENT.....		48.
INTEREST.....		33.
GRAND TOTAL TAX DUE	\$	<u>1,695.</u>

**STATEMENT 3
SCHEDULE A, LINE 10
HOME MORTGAGE INTEREST REPORTED ON FORM 1098**

HOME OFFICE NONBUSINESS ALLOCATION.....	\$	953.
TOTAL	\$	<u>953.</u>

**STATEMENT 4
SCHEDULE A, LINE 17
CONTRIBUTIONS OTHER THAN CASH**

.....	\$	300.
TOTAL	\$	<u>300.</u>

**STATEMENT 5 - STORAGE SPACE RENTALS
SCHEDULE C, PART V
OTHER EXPENSES**

ACCOUNTING.....	\$	8,407.
BANK CHARGES.....		2,347.
COMPUTER, INTERNET.....		1,933.
CONSULTING.....		451.
LICENSE.....		50.
MISCELLANEOUS.....		191.
POSTAGE.....		263.
PRINTING.....		12.
TELEPHONE.....		4,558.
TOOLS.....		423.
TOTAL	\$	<u>18,635.</u>

2009

FEDERAL STATEMENTS

PAGE 2

CLIENT BAUGHA

ANDREW L. AND ABBIE M. BAUGH

10/13/10

05:25PM

STATEMENT 6
SCHEDULE E, PAGE 2
PART II - INCOME OR LOSS FROM PARTNERSHIPS AND S CORPORATIONS

NAME	TYPE	X IF FOREIGN	EMPLOYER I.D. NO.	ANY INVT. NOT AT RISK	PTP	PASSIVE LOSS FROM FORM 8582	PASSIVE INC. FROM SCH. K-1	NONPASSIVE LOSS FROM SCH. K-1	SECTION 179 DEDUCTION	NONPASSIVE INCOME FROM K-1
KAANDA LLC	P		92-0161254				\$ 39,823.			
KIONA, LLC	P		55-0857166			\$ 22,316.				
TETON, LLC	P		72-1589514				28,461.			
TETON, LLC - SEC 754 DEDUCTION	P		72-1589514			16,498.				
ALASKA SNOW SAFARIS, INC.	S		51-0430523							
TOTAL						\$ 38,814.	\$ 68,284.	\$ 0.	\$ 0.	\$ 0.

Exhibit No. 2003
Page 37 of 96

SCHEDULE C
(Form 1040)

Department of the Treasury
Internal Revenue Service (99)

Profit or Loss From Business
(Sole Proprietorship)

HI COPY - HAWAII AMOUNTS

Partnerships, joint ventures, etc., generally must file Form 1065 or 1065-B.
Attach to Form 1040, 1040NR, or 1041. See instructions for Schedule C (Form 1040).

OMB No. 1545-0074

2009

Attachment
Sequence No. 09

Name of proprietor

ANDREW L. BAUGH

Social security number (SSN)

B Enter code from instructions

531100

D Employer ID number (EIN), if any

26-3062509

A Principal business or profession, including product or service (see instructions)

STORAGE SPACE RENTALS

C Business name, if no separate business name, leave blank.

76TH PARK & STORE, LLC

E Business address (including suite or room no.)

City, town or post office, state, and ZIP code

F Accounting method: (1) ☒ Cash (2) ☐ Accrual (3) ☐ Other (specify)

G Did you 'materially participate' in the operation of this business during 2009? If 'No,' see instructions for limit on losses. ☒ Yes ☐ No

H If you started or acquired this business during 2009, check here

Part I Income

1 Gross receipts or sales. **Caution.** See the instructions and check the box if:

- This income was reported to you on Form W-2 and the 'Statutory employee' box on that form was checked, or
- You are a member of a qualified joint venture reporting only rental real estate income not subject to self-employment tax. Also see instructions for limit on losses.

1 76,691.

2 Returns and allowances

2 518.

3 Subtract line 2 from line 1

3 76,173.

4 Cost of goods sold (from line 42 on page 2)

4

5 Gross profit. Subtract line 4 from line 3

5 76,173.

6 Other income, including federal and state gasoline or fuel tax credit or refund (see instructions)

6

7 Gross income. Add lines 5 and 6

7 76,173.

Part II Expenses. Enter expenses for business use of your home only on line 30.

8 Advertising 8 1,190.

9 Car and truck expenses (see instructions) 9 4,648.

10 Commissions and fees 10

11 Contract labor (see instructions) 11

12 Depletion 12

13 Depreciation and section 179 expense deduction (not included in Part III) (see instructions) 13 20,575.

14 Employee benefit programs (other than on line 19) 14

15 Insurance (other than health) 15 1,806.

16 Interest:

a Mortgage (paid to banks, etc.) 16a

b Other 16b 18,111.

17 Legal & professional services 17

18 Office expense 18 637.

19 Pension and profit-sharing plans 19

20 Rent or lease (see instructions):

a Vehicles, machinery, and equipment 20a 894.

b Other business property 20b

21 Repairs and maintenance 21 3,883.

22 Supplies (not included in Part III) 22

23 Taxes and licenses 23

24 Travel, meals, and entertainment:

a Travel 24a

b Deductible meals and entertainment (see instructions) 24b 35.

25 Utilities 25 1,866.

26 Wages (less employment credits) 26

27 Other expenses (from line 48 on page 2) 27 18,635.

28 Total expenses before expenses for business use of home. Add lines 8 through 27. 28 72,280.

29 Tentative profit or (loss). Subtract line 28 from line 7. 29 3,893.

30 Expenses for business use of your home. Attach Form 8829. 30 3,489.

31 Net profit or (loss). Subtract line 30 from line 29.

- If a profit, enter on both Form 1040, line 12, and Schedule SE, line 2 or on Form 1040NR, line 13 (if you checked the box on line 1, see instructions). Estates and trusts, enter on Form 1041, line 3.
- If a loss, you must go to line 32.

31 404.

32 If you have a loss, check the box that describes your investment in this activity (see instructions).

- If you checked 32a, enter the loss on both Form 1040, line 12, and Schedule SE, line 2, or on Form 1040NR, line 13 (if you checked the box on line 1, see the line 31 instructions). Estates and trusts, enter on Form 1041, line 3.
- If you checked 32b, you must attach Form 6198. Your loss may be limited.

32a ☐ All investment is at risk.

32b ☐ Some investment is not at risk.

BAA For Paperwork Reduction Act Notice, see Form 1040 Instructions.

Schedule C (Form 1040) 2009

FDIZ0112L 06/18/09

Part II Cost of Goods Sold (see instructions)33 Method(s) used to value closing inventory: a ☐ Cost b ☐ Lower of cost or market c ☐ Other (attach explanation)34 Was there any change in determining quantities, costs, or valuations between opening and closing inventory?
If 'Yes,' attach explanation☐ Yes ☐ No

35 Inventory at beginning of year. If different from last year's closing inventory, attach explanation

35

36 Purchases less cost of items withdrawn for personal use

36

37 Cost of labor. Do not include any amounts paid to yourself

37

38 Materials and supplies

38

39 Other costs

39

40 Add lines 35 through 39

40

41 Inventory at end of year

41

42 Cost of goods sold. Subtract line 41 from line 40. Enter the result here and on page 1, line 4

42

Part III Information on Your Vehicle. Complete this part only if you are claiming car or truck expenses on line 9 and are not required to file Form 4562 for this business. See the instructions for line 13 to find out if you must file Form 4562.

43 When did you place your vehicle in service for business purposes? (month, day, year)

44 Of the total number of miles you drove your vehicle during 2009, enter the number of miles you used your vehicle for:

a Business

b Commuting (see instructions)

c Other

45 Was your vehicle available for personal use during off-duty hours?

☐ Yes ☐ No

46 Do you (or your spouse) have another vehicle available for personal use?

☐ Yes ☐ No

47a Do you have evidence to support your deduction?

☐ Yes ☐ No

b If 'Yes,' is the evidence written?

☐ Yes ☐ No**Part IV Other Expenses.** List below business expenses not included on lines 8-26 or line 30.

SEE STATEMENT 2

48 Total other expenses. Enter here and on page 1, line 27

48

18,635.

Schedule C (Form 1040) 2009

SCHEDULE E
(Form 1040)

Department of the Treasury
Internal Revenue Service (99)

Supplemental Income and Loss
(From rental real estate, royalties, partnerships,
S corporations, estates, trusts, REMICs, etc.)
▶ Attach to Form 1040, 1040NR, or Form 1041.
▶ See instructions for Schedule E (Form 1040).

OMB No. 1545-0074

2009

Attachment
Sequence No. **13**

Name(s) shown on return

ANDREW L. AND ABBIE M. BAUGH

Your social security number

Part I Income or Loss From Rental Real Estate and Royalties Note. If you are in the business of renting personal property, use Schedule C or C-EZ (see instructions). If you are an individual, report farm rental income or loss from Form 4835 on page 2, line 40.

1	List the type and address of each rental real estate property:	2	For each rental real estate property listed on line 1, did you or your family use it during the tax year for personal purposes for more than the greater of: • 14 days, or • 10% of the total days rented at fair rental value? (See instructions.)	Yes	No
A	RESIDENCE LAKE SAMMAMISH, WA 98008				X
B	MOBILE HOME #1 ANCHORAGE, AK 99503				X
C	1/2 INTEREST IN CABIN GIRDWOOD, AK 99587				X

Income:		Properties			Totals
		A	B	C	(Add columns A, B, and C.)
3	Rents received	1,333.	8,400.	4,500.	14,233.
4	Royalties received				
Expenses:					
5	Advertising				
6	Auto and travel (see instructions)				
7	Cleaning and maintenance				
8	Commissions				
9	Insurance			165.	
10	Legal and other professional fees	100.	100.	100.	
11	Management fees				
12	Mortgage interest paid to banks, etc (see instructions)				
13	Other interest				
14	Repairs				
15	Supplies				
16	Taxes				
17	Utilities				
18	Other (list) ▶ SPACE RENTAL		4,500.	1,500.	
19	Add lines 5 through 18	100.	4,600.	1,765.	6,465.
20	Depreciation expense or depletion (see instructions)	509.	73.	273.	855.
21	Total expenses. Add lines 19 and 20	609.	4,673.	2,038.	
22	Income or (loss) from rental real estate or royalty properties. Subtract line 21 from line 3 (rents) or line 4 (royalties). If the result is a (loss), see instructions to find out if you must file Form 6198.	724.	3,727.	2,462.	
23	Deductible rental real estate loss. Caution. Your rental real estate loss on line 22 may be limited. See instructions to find out if you must file Form 8582. Real estate professionals must complete line 43 on page 2.				
24	Income. Add positive amounts shown on line 22. Do not include any losses.				6,913.
25	Losses. Add royalty losses from line 22 and rental real estate losses from line 23. Enter total losses here.				
26	Total rental real estate and royalty income or (loss). Combine lines 24 and 25. Enter the result here. If Parts II, III, IV, and line 40 on page 2 do not apply to you, also enter this amount on Form 1040, line 17, or Form 1040NR, line 18. Otherwise, include this amount in the total on line 41 on page 2.				6,913.

SCHEDULE E
(Form 1040)

Department of the Treasury
Internal Revenue Service (99)

Supplemental Income and Loss
(From rental real estate, royalties, partnerships,
S corporations, estates, trusts, REMICs, etc)
▶ Attach to Form 1040, 1040NR, or Form 1041.
▶ See instructions for Schedule E (Form 1040).

OMB No. 1545-0074

2009

Attachment
Sequence No. **13**

Name(s) shown on return

ANDREW L. AND ABBIE M. BAUGH

Your social security number

Part I **Income or Loss From Rental Real Estate and Royalties** Note. If you are in the business of renting personal property, use
Schedule C or C-EZ (see instructions). If you are an individual, report farm rental income or loss from Form 4835 on page 2, line 40.

1	List the type and address of each rental real estate property:	2	For each rental real estate property listed on line 1, did you or your family use it during the tax year for personal purposes for more than the greater of: • 14 days, or • 10% of the total days rented at fair rental value? (See instructions.)	Yes	No
A	MOBILE HOME #2 ANCHORAGE, AK 99503				X
B					
C					

Income:		Properties			Totals
		A	B	C	(Add columns A, B, and C.)
3	Rents received	3			3
4	Royalties received	4			4
Expenses:					
5	Advertising	5			
6	Auto and travel (see instructions)	6			
7	Cleaning and maintenance	7			
8	Commissions	8			
9	Insurance	9			
10	Legal and other professional fees	10			
11	Management fees	11			
12	Mortgage interest paid to banks, etc (see instructions)	12			12
13	Other interest	13			
14	Repairs	14			
15	Supplies	15			
16	Taxes	16			
17	Utilities	17			
18	Other (list) ▶	18			
19	Add lines 5 through 18	19			19
20	Depreciation expense or depletion (see instructions)	20			20
21	Total expenses. Add lines 19 and 20	21			
22	Income or (loss) from rental real estate or royalty properties. Subtract line 21 from line 3 (rents) or line 4 (royalties). If the result is a (loss), see instructions to find out if you must file Form 6198	22	0.		
23	Deductible rental real estate loss. Caution. Your rental real estate loss on line 22 may be limited. See instructions to find out if you must file Form 8582. Real estate professionals must complete line 43 on page 2	23			
24	Income. Add positive amounts shown on line 22. Do not include any losses	24			
25	Losses. Add royalty losses from line 22 and rental real estate losses from line 23. Enter total losses here	25			
26	Total rental real estate and royalty income or (loss). Combine lines 24 and 25. Enter the result here. If Parts II, III, IV, and line 40 on page 2 do not apply to you, also enter this amount on Form 1040, line 17, or Form 1040NR, line 18. Otherwise, include this amount in the total on line 41 on page 2	26			

Name(s) shown on return. Do not enter name and social security number if shown on Page 1.

Your social security number

ANDREW L. AND ABBIE M. BAUGH

Caution: The IRS compares amounts reported on your tax return with amounts shown on Schedule(s) K-1.

Part II Income or Loss From Partnerships and S Corporations

Note. If you report a loss from an at-risk activity for which any amount is not at risk, you must check the box in column (e) on line 28 and attach Form 6198. See instructions.

- 27 Are you reporting any loss not allowed in a prior year due to the at-risk or basis limitations, a prior year unallowed loss from a passive activity (if that loss was not reported on Form 8582), or unreimbursed partnership expenses? ☐ Yes ☐ No
- If you answered 'Yes,' see instructions before completing this section.

28	(a) Name	(b) Enter P for partnership; S for S corporation	(c) Check if foreign partnership	(d) Employer identification number	(e) Check if any amount is not at risk
A	SEE STATEMENT 3				
B					
C					
D					

Passive Income and Loss		Nonpassive Income and Loss	
(f) Passive loss allowed (attach Form 8582 if required)	(g) Passive income from Schedule K-1	(h) Nonpassive loss from Schedule K-1	(i) Section 179 expense deduction from Form 4562
A			
B			
C			
D			
29a Totals	68,284.		
b Totals	38,814.		
30 Add columns (g) and (i) of line 29a		30	68,284.
31 Add columns (f), (h), and (i) of line 29b		31	-38,814.
32 Total partnership and S corporation income or (loss). Combine lines 30 and 31. Enter the result here and include in the total on line 41 below		32	29,470.

Part III Income or Loss From Estates and Trusts

33	(a) Name	(b) Employer ID no.
A		
B		

Passive Income and Loss		Nonpassive Income and Loss	
(c) Passive deduction or loss allowed (attach Form 8582 if required)	(d) Passive income from Schedule K-1	(e) Deduction or loss from Schedule K-1	(f) Other income from Schedule K-1
A			
B			
34a Totals			
b Totals			
35 Add columns (d) and (f) of line 34a		35	
36 Add columns (c) and (e) of line 34b		36	
37 Total estate and trust income or (loss). Combine lines 35 and 36. Enter the result here and include in the total on line 41 below		37	

Part IV Income or Loss From Real Estate Mortgage Investment Conduits (REMICs) — Residual Holder

38	(a) Name	(b) Employer identification number	(c) Excess inclusion from Schedules Q, line 2c (see instructions)	(d) Taxable income (net loss) from Schedules Q, line 1b	(e) Income from Schedules Q, line 3b
39	Combine columns (d) and (e) only. Enter the result here and include in the total on line 41 below				39

Part V Summary

40	Net farm rental income or (loss) from Form 4835. Also, complete line 42 below	40	
41	Total income or (loss). Combine lines 26, 32, 37, 39, and 40. Enter the result here and on Form 1040, line 17, or Form 1040NR, line 18	41	36,383.
42	Reconciliation of farming and fishing income. Enter your gross farming and fishing income reported on Form 4835, line 7; Schedule K-1 (Form 1065), box 14, code B; Schedule K-1 (Form 1120S), box 17, code U; and Schedule K-1 (Form 1041), line 14, code F (see instructions)	42	
43	Reconciliation for real estate professionals. If you were a real estate professional (see instructions), enter the net income or (loss) you reported anywhere on Form 1040 or Form 1040NR from all rental real estate activities in which you materially participated under the passive activity loss rules	43	

SCHEDULE C
(Form 1040)

Profit or Loss From Business
(Sole Proprietorship)

OMB No. 1545-0074

2009

Attachment
Sequence No. **09**

Department of the Treasury
Internal Revenue Service (99)

► **Partnerships, joint ventures, etc., generally must file Form 1065 or 1065-B.**
► **Attach to Form 1040, 1040NR, or 1041.** ► **See instructions for Schedule C (Form 1040).**

Name of proprietor ANDREW L. BAUGH		Social security number (SSN) [REDACTED]
A Principal business or profession, including product or service (see instructions) STORAGE SPACE RENTALS		B Enter code from instructions ► 531100
C Business name. If no separate business name, leave blank. 76TH PARK & STORE, LLC		D Employer ID number (EIN), if any 26-3062509
E Business address (including suite or room no.) City, town or post office, state, and ZIP code		
F Accounting method: (1) <input checked="" type="checkbox"/> Cash (2) <input type="checkbox"/> Accrual (3) <input type="checkbox"/> Other (specify) ►		
G Did you 'materially participate' in the operation of this business during 2009? If 'No,' see instructions for limit on losses. <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
H If you started or acquired this business during 2009, check here		

Part I Income

1 Gross receipts or sales. Caution. See the instructions and check the box if: • This income was reported to you on Form W-2 and the 'Statutory employee' box on that form was checked, or • You are a member of a qualified joint venture reporting only rental real estate income not subject to self-employment tax. Also see instructions for limit on losses. <input type="checkbox"/>	1	76,691.
2 Returns and allowances	2	518.
3 Subtract line 2 from line 1.	3	76,173.
4 Cost of goods sold (from line 42 on page 2)	4	
5 Gross profit. Subtract line 4 from line 3.	5	76,173.
6 Other income, including federal and state gasoline or fuel tax credit or refund (see instructions)	6	
7 Gross income. Add lines 5 and 6.	7	76,173.

Part II Expenses. Enter expenses for business use of your home **only** on line 30.

8 Advertising	8	1,190.	18 Office expense	18	637.
9 Car and truck expenses (see instructions)	9	4,648.	19 Pension and profit-sharing plans	19	
10 Commissions and fees	10		20 Rent or lease (see instructions):		
11 Contract labor (see instructions)	11		a Vehicles, machinery, and equipment	20a	894.
12 Depletion	12		b Other business property	20b	
13 Depreciation and section 179 expense deduction (not included in Part III) (see instructions)	13	16,415.	21 Repairs and maintenance	21	3,883.
14 Employee benefit programs (other than on line 19)	14		22 Supplies (not included in Part III)	22	
15 Insurance (other than health)	15	1,806.	23 Taxes and licenses	23	
16 Interest:			24 Travel, meals, and entertainment:		
a Mortgage (paid to banks, etc.)	16a		a Travel	24a	
b Other	16b	18,111.	b Deductible meals and entertainment (see instructions)	24b	35.
17 Legal & professional services	17		25 Utilities	25	1,866.
28 Total expenses before expenses for business use of home. Add lines 8 through 27.	28	68,120.	26 Wages (less employment credits)	26	
29 Tentative profit or (loss). Subtract line 28 from line 7.	29	8,053.	27 Other expenses (from line 48 on page 2)	27	18,635.
30 Expenses for business use of your home. Attach Form 8829 .	30	3,489.			
31 Net profit or (loss). Subtract line 30 from line 29. • If a profit, enter on both Form 1040, line 12 , and Schedule SE, line 2 or on Form 1040NR, line 13 (if you checked the box on line 1, see instructions). Estates and trusts, enter on Form 1041, line 3 . • If a loss, you must go to line 32.	31	4,564.			

32 If you have a loss, check the box that describes your investment in this activity (see instructions).

• If you checked 32a, enter the loss on both **Form 1040, line 12**, and **Schedule SE, line 2**, or on **Form 1040NR, line 13** (if you checked the box on line 1, see the line 31 instructions). Estates and trusts, enter on **Form 1041, line 3**.

• If you checked 32b, you **must** attach **Form 6198**. Your loss may be limited.

32a ☐ All investment is at risk.
32b ☐ Some investment is not at risk.

BAA For Paperwork Reduction Act Notice, see Form 1040 instructions.

Schedule C (Form 1040) 2009

FD120112L 06/18/09

Part III Cost of Goods Sold (see instructions)

33	Method(s) used to value closing inventory: a <input type="checkbox"/> Cost b <input type="checkbox"/> Lower of cost or market c <input type="checkbox"/> Other (attach explanation)	
34	Was there any change in determining quantities, costs, or valuations between opening and closing inventory? If 'Yes,' attach explanation.	<input type="checkbox"/> Yes <input type="checkbox"/> No
35	Inventory at beginning of year. If different from last year's closing inventory, attach explanation.	35
36	Purchases less cost of items withdrawn for personal use.	36
37	Cost of labor. Do not include any amounts paid to yourself.	37
38	Materials and supplies.	38
39	Other costs.	39
40	Add lines 35 through 39.	40
41	Inventory at end of year.	41
42	Cost of goods sold. Subtract line 41 from line 40. Enter the result here and on page 1, line 4.	42

Part IV Information on Your Vehicle. Complete this part **only** if you are claiming car or truck expenses on line 9 and are not required to file Form 4562 for this business. See the instructions for line 13 to find out if you must file Form 4562.

43 When did you place your vehicle in service for business purposes? (month, day, year) ▶ _____

44 Of the total number of miles you drove your vehicle during 2009, enter the number of miles you used your vehicle for:
 a Business _____ b Commuting (see instructions) _____ c Other _____

45 Was your vehicle available for personal use during off-duty hours? ☐ Yes ☐ No

46 Do you (or your spouse) have another vehicle available for personal use? ☐ Yes ☐ No

47 a Do you have evidence to support your deduction? ☐ Yes ☐ No
 b If 'Yes,' is the evidence written? ☐ Yes ☐ No

Part V Other Expenses. List below business expenses not included on lines 8-26 or line 30.

SEE STATEMENT 5

48	Total other expenses. Enter here and on page 1, line 27.	48	18,635.
----	---	----	---------

Schedule C (Form 1040) 2009

SCHEDULE E
(Form 1040)

Department of the Treasury
Internal Revenue Service (99)

Supplemental Income and Loss
(From rental real estate, royalties, partnerships,
S corporations, estates, trusts, REMICs, etc)
▶ Attach to Form 1040, 1040NR, or Form 1041.
▶ See instructions for Schedule E (Form 1040).

OMB No. 1545-0074

2009

Attachment
Sequence No. **13**

Name(s) shown on return

ANDREW L. AND ABBIE M. BAUGH

Your social security number

Part I Income or Loss From Rental Real Estate and Royalties Note. If you are in the business of renting personal property, use
Schedule C or C-EZ (see instructions). If you are an individual, report farm rental income or loss from Form 4835 on page 2, line 40.

1	List the type and address of each rental real estate property:	2	For each rental real estate property listed on line 1, did you or your family use it during the tax year for personal purposes for more than the greater of: • 14 days, or • 10% of the total days rented at fair rental value? (See instructions.)	Yes	No
A	RESIDENCE LAKE SAMMAMISH, WA 98008				X
B	MOBILE HOME #1 ANCHORAGE, AK 99503				X
C	1/2 INTEREST IN CABIN GIRDWOOD, AK 99587				X

Income:		Properties			Totals	
		A	B	C	(Add columns A, B, and C.)	
3	Rents received	1,333.	8,400.	4,500.	3	14,233.
4	Royalties received				4	
Expenses:						
5	Advertising					
6	Auto and travel (see instructions)					
7	Cleaning and maintenance					
8	Commissions					
9	Insurance			165.		
10	Legal and other professional fees	100.	100.	100.		
11	Management fees					
12	Mortgage interest paid to banks, etc (see instructions)				12	
13	Other interest					
14	Repairs					
15	Supplies					
16	Taxes					
17	Utilities					
18	Other (list) ▶ SPACE RENTAL		4,500.	1,500.		
19	Add lines 5 through 18	100.	4,600.	1,765.	19	6,465.
20	Depreciation expense or depletion (see instructions)	509.	73.	273.	20	855.
21	Total expenses. Add lines 19 and 20	609.	4,673.	2,038.		
22	Income or (loss) from rental real estate or royalty properties. Subtract line 21 from line 3 (rents) or line 4 (royalties). If the result is a (loss), see instructions to find out if you must file Form 6198.	724.	3,727.	2,462.		
23	Deductible rental real estate loss. Caution. Your rental real estate loss on line 22 may be limited. See instructions to find out if you must file Form 8582. Real estate professionals must complete line 43 on page 2.					
24	Income. Add positive amounts shown on line 22. Do not include any losses.				24	6,913.
25	Losses. Add royalty losses from line 22 and rental real estate losses from line 23. Enter total losses here.				25	
26	Total rental real estate and royalty income or (loss). Combine lines 24 and 25. Enter the result here. If Parts II, III, IV, and line 40 on page 2 do not apply to you, also enter this amount on Form 1040, line 17, or Form 1040NR, line 18. Otherwise, include this amount in the total on line 41 on page 2.				26	6,913.

SCHEDULE E
(Form 1040)Department of the Treasury
Internal Revenue Service (99)**Supplemental Income and Loss**(From rental real estate, royalties, partnerships,
S corporations, estates, trusts, REMICs, etc)
▶ Attach to Form 1040, 1040NR, or Form 1041.
▶ See instructions for Schedule E (Form 1040).

OMB No. 1545-0074

2009Attachment
Sequence No. **13**

Name(s) shown on return

ANDREW L. AND ABBIE M. BAUGH

Your social security number

Income or Loss From Rental Real Estate and Royalties

Note. If you are in the business of renting personal property, use

Schedule C or C-EZ (see instructions). If you are an individual, report farm rental income or loss from Form 4835 on page 2, line 40.

1	List the type and address of each rental real estate property:	2	For each rental real estate property listed on line 1, did you or your family use it during the tax year for personal purposes for more than the greater of: • 14 days, or • 10% of the total days rented at fair rental value? (See instructions.)	Yes	No
A	MOBILE HOME #2 ANCHORAGE, AK 99503				X
B					
C					

Income:	Properties			Totals
	A	B	C	(Add columns A, B, and C.)
3 Rents received	3			3
4 Royalties received	4			4
Expenses:				
5 Advertising	5			
6 Auto and travel (see instructions)	6			
7 Cleaning and maintenance	7			
8 Commissions	8			
9 Insurance	9			
10 Legal and other professional fees	10			
11 Management fees	11			
12 Mortgage interest paid to banks, etc (see instructions)	12			12
13 Other interest	13			
14 Repairs	14			
15 Supplies	15			
16 Taxes	16			
17 Utilities	17			
18 Other (list) ▶	18			
19 Add lines 5 through 18	19			19
20 Depreciation expense or depletion (see instructions)	20			20
21 Total expenses. Add lines 19 and 20	21			
22 Income or (loss) from rental real estate or royalty properties. Subtract line 21 from line 3 (rents) or line 4 (royalties). If the result is a (loss), see instructions to find out if you must file Form 6198	22	0.		
23 Deductible rental real estate loss. Caution. Your rental real estate loss on line 22 may be limited. See instructions to find out if you must file Form 8582. Real estate professionals must complete line 43 on page 2	23			
24 Income. Add positive amounts shown on line 22. Do not include any losses	24			24
25 Losses. Add royalty losses from line 22 and rental real estate losses from line 23. Enter total losses here	25			25
26 Total rental real estate and royalty income or (loss). Combine lines 24 and 25. Enter the result here. If Parts II, III, IV, and line 40 on page 2 do not apply to you, also enter this amount on Form 1040, line 17, or Form 1040NR, line 18. Otherwise, include this amount in the total on line 41 on page 2	26			26

Name(s) shown on return. Do not enter name and social security number if shown on Page 1.

Your social security number

ANDREW L. AND ABBIE M. BAUGH

Caution: The IRS compares amounts reported on your tax return with amounts shown on Schedule(s) K-1.

Part II Income or Loss From Partnerships and S Corporations**Note.** If you report a loss from an at-risk activity for which any amount is not at risk, you must check the box in column (e) on line 28 and attach Form 6198. See instructions.

- 27 Are you reporting any loss not allowed in a prior year due to the at-risk or basis limitations, a prior year unallowed loss from a passive activity (if that loss was not reported on Form 8582), or unreimbursed partnership expenses? ☐ Yes ☒ No
If you answered "Yes," see instructions before completing this section.

28	(a) Name	(b) Enter P for partnership; S for S corporation	(c) Check if foreign partnership	(d) Employer identification number	(e) Check if any amount is not at risk
A	SEE STATEMENT 6				
B					
C					
D					

Passive Income and Loss		Nonpassive Income and Loss		
(f) Passive loss allowed (attach Form 8582 if required)	(g) Passive income from Schedule K-1	(h) Nonpassive loss from Schedule K-1	(i) Section 179 expense deduction from Form 4562	(j) Nonpassive income from Schedule K-1
A				
B				
C				
D				
29a Totals.....	68,284.			
b Totals.....	38,814.			
30 Add columns (g) and (j) of line 29a.....			30	68,284.
31 Add columns (f), (h), and (i) of line 29b.....			31	-38,814.
32 Total partnership and S corporation income or (loss). Combine lines 30 and 31. Enter the result here and include in the total on line 41 below.....			32	29,470.

Part III Income or Loss From Estates and Trusts

33	(a) Name	(b) Employer ID no.
A		
B		
Passive Income and Loss		Nonpassive Income and Loss
(c) Passive deduction or loss allowed (attach Form 8582 if required)	(d) Passive income from Schedule K-1	(e) Deduction or loss from Schedule K-1
A		
B		
34a Totals.....		
b Totals.....		
35 Add columns (d) and (f) of line 34a.....		35
36 Add columns (c) and (e) of line 34b.....		36
37 Total estate and trust income or (loss). Combine lines 35 and 36. Enter the result here and include in the total on line 41 below.....		37

Part IV Income or Loss From Real Estate Mortgage Investment Conduits (REMICs) – Residual Holder

38	(a) Name	(b) Employer identification number	(c) Excess inclusion from Schedules Q, line 2c (see instructions)	(d) Taxable income (net loss) from Schedules Q, line 1b	(e) Income from Schedules Q, line 3b
39	Combine columns (d) and (e) only. Enter the result here and include in the total on line 41 below.....				39

Summary

40	Net farm rental income or (loss) from Form 4835. Also, complete line 42 below.....	40
41	Total income or (loss). Combine lines 26, 32, 37, 39, and 40. Enter the result here and on Form 1040, line 17, or Form 1040NR, line 18.....	41 36,383.
42	Reconciliation of farming and fishing income. Enter your gross farming and fishing income reported on Form 4835, line 7; Schedule K-1 (Form 1065), box 14, code B; Schedule K-1 (Form 1120S), box 17, code U; and Schedule K-1 (Form 1041), line 14, code F (see instructions).....	42
43	Reconciliation for real estate professionals. If you were a real estate professional (see instructions), enter the net income or (loss) you reported anywhere on Form 1040 or Form 1040NR from all rental real estate activities in which you materially participated under the passive activity loss rules.....	43

Form **1040** Department of the Treasury — Internal Revenue Service **U.S. Individual Income Tax Return 2010** (99) IRS Use Only — Do not write or staple in this space.

Name, Address, and SSN

See separate instructions.

Presidential Election Campaign

For the year Jan 1 - Dec 31, 2010, or other tax year beginning , 2010, ending , 20

OMB No. 1545-0074

Your first name MI Last name
ANDREW L. BAUGH

Your social security number

If a joint return, spouse's first name MI Last name
ABBIE M. BAUGH

Spouse's social security number

Home address (number and street). If you have a P.O. box, see instructions. Apartment no.
PO BOX 672

City, town or post office. If you have a foreign address, see instructions. State ZIP code
GIRDWOOD, AK 99587

Make sure the SSN(s) above and on line 6c are correct.

Checking a box below will not change your tax or refund.

Check here if you, or your spouse if filing jointly, want \$3 to go to this fund? ☐ You ☐ Spouse

Filing Status

Check only one box.

1 ☐ Single

2 ☒ Married filing jointly (even if only one had income)

3 ☐ Married filing separately. Enter spouse's SSN above & full name here.

4 ☐ Head of household (with qualifying person). (See instructions.) If the qualifying person is a child but not your dependent, enter this child's name here.

5 ☐ Qualifying widow(er) with dependent child

Exemptions

If more than four dependents, see instructions and check here ☐

6a ☒ Yourself. If someone can claim you as a dependent, do not check box 6a.

b ☒ Spouse

c Dependents:

(1) First name	Last name	(2) Dependent's social security number	(3) Dependent's relationship to you	(4) If child under age 19 qualifying for child tax or (see instrs)
SLOANE A.	BAUGH		CHILD	<input checked="" type="checkbox"/>
				<input type="checkbox"/>
				<input type="checkbox"/>
				<input type="checkbox"/>

Boxes checked on 6a and 6b: 2

No. of children on 6c who:

- lived with you: 1
- did not live with you due to divorce or separation (see instrs):

Dependents on 6c not entered above: 0

Add numbers on lines above: 3

d Total number of exemptions claimed: 3

Income

Attach Form(s) W-2 here. Also attach Forms W-2G and 1099-R if tax was withheld.

If you did not get a W-2, see instructions.

Enclose, but do not attach, any payment. Also, please use Form 1040-V.

7 Wages, salaries, tips, etc. Attach Form(s) W-2.	7	
8a Taxable interest. Attach Schedule B if required.	8a	1,670.
b Tax-exempt interest. Do not include on line 8a.	8b	
9a Ordinary dividends. Attach Schedule B if required.	9a	94.
b Qualified dividends	9b	
10 Taxable refunds, credits, or offsets of state and local income taxes.	10	
11 Alimony received	11	
12 Business income or (loss). Attach Schedule C or C-EZ.	12	38,342.
13 Capital gain or (loss). Att Sch D if reqd. If not reqd, ck here.	13	4,767.
14 Other gains or (losses). Attach Form 4797.	14	498.
15a IRA distributions.	15a	
b Taxable amount.	15b	
16a Pensions and annuities.	16a	
b Taxable amount.	16b	
17 Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E.	17	44,823.
18 Farm income or (loss). Attach Schedule F.	18	
19 Unemployment compensation.	19	
20a Social security benefits.	20a	
b Taxable amount.	20b	
21 Other income SEE STATEMENT 1	21	12,020.
22 Combine the amounts in the far right column for lines 7 through 21. This is your total income.	22	102,214.

Adjusted Gross Income

23 Educator expenses	23	
24 Certain business expenses of reservists, performing artists, and fee-basis government officials. Attach Form 2106 or 2106-EZ.	24	
25 Health savings account deduction. Attach Form 8889.	25	
26 Moving expenses. Attach Form 3903.	26	
27 One-half of self-employment tax. Attach Schedule SE.	27	2,629.
28 Self-employed SEP, SIMPLE, and qualified plans.	28	
29 Self-employed health insurance deduction.	29	10,587.
30 Penalty on early withdrawal of savings.	30	
31a Alimony paid b Recipient's SSN.	31a	
32 IRA deduction	32	
33 Student loan interest deduction.	33	
34 Tuition and fees. Attach Form 8917.	34	
35 Domestic production activities deduction. Attach Form 8803.	35	
36 Add lines 23 - 31a and 32 - 35.	36	13,216.
37 Subtract line 36 from line 22. This is your adjusted gross income.	37	88,998.

BAA For Disclosure, Privacy Act, and Paperwork Reduction Act Notice, see separate instructions.

FDIA0112L 12/22/10

Form 1040 (2010)

Tax and Credits

38	Amount from line 37 (adjusted gross income)	38	88,998.
39a	Check if: <input type="checkbox"/> You were born before January 2, 1946, <input type="checkbox"/> Blind. Total boxes checked <input type="checkbox"/> 39a		
	<input type="checkbox"/> Spouse was born before January 2, 1946, <input type="checkbox"/> Blind. <input type="checkbox"/> 39b		
40	Itemized deductions (from Schedule A) or your standard deduction (see instructions)	40	20,765.
41	Subtract line 40 from line 38	41	68,233.
42	Exemptions. Multiply \$3,650 by the number on line 6d	42	10,950.
43	Taxable income. Subtract line 42 from line 41. If line 42 is more than line 41, enter -0-	43	57,283.
44	Tax (see instrs). Check if any tax is from: a <input checked="" type="checkbox"/> Form(s) 8814 b <input type="checkbox"/> Form 4972	44	7,082.
45	Alternative minimum tax (see instructions). Attach Form 6251	45	0.
46	Add lines 44 and 45	46	7,082.
47	Foreign tax credit. Attach Form 1116 if required	47	
48	Credit for child and dependent care expenses. Attach Form 2441	48	
49	Education credits from Form 8863, line 23	49	
50	Retirement savings contributions credit. Attach Form 8880	50	
51	Child tax credit (see instructions)	51	1,000.
52	Residential energy credits. Attach Form 5695	52	
53	Other crs from Form: a <input type="checkbox"/> 3800 b <input type="checkbox"/> 8801 c <input type="checkbox"/>	53	
54	Add lines 47 through 53. These are your total credits	54	1,000.
55	Subtract line 54 from line 46. If line 54 is more than line 46, enter -0-	55	6,082.
56	Self-employment tax. Attach Schedule SE	56	5,258.
57	Unreported social security and Medicare tax from Form: a <input type="checkbox"/> 4137 b <input type="checkbox"/> 8919	57	
58	Additional tax on IRAs, other qualified retirement plans, etc. Attach Form 5329 if required	58	
59a	<input type="checkbox"/> Form(s) W-2, box 9 b <input type="checkbox"/> Schedule H c <input type="checkbox"/> Form 5405, line 16	59	
60	Add lines 55-59. This is your total tax	60	11,340.

Other Taxes**Payments**

If you have a qualifying child, attach Schedule EIC.

61	Federal income tax withheld from Forms W-2 and 1099	61	
62	2010 estimated tax payments and amount applied from 2009 return	62	1,640.
63	Making work pay credit. Attach Schedule M	63	800.
64a	Earned income credit (EIC)	64a	
	b Nontaxable combat pay election <input type="checkbox"/> 64b		
65	Additional child tax credit. Attach Form 8812	65	
66	American opportunity credit from Form 8863, line 14	66	
67	First-time homebuyer credit from Form 5405, line 10	67	
68	Amount paid with request for extension to file	68	2,000.
69	Excess social security and tier 1 RRTA tax withheld	69	
70	Credit for federal tax on fuels. Attach Form 4136	70	
71	Credits from Form: a <input type="checkbox"/> 2439 b <input type="checkbox"/> 8839 c <input type="checkbox"/> 8801 d <input type="checkbox"/> 8885	71	
72	Add lines 61-63, 64a, & 65-71. These are your total pmts	72	4,440.

Refund

Direct deposit? See instructions.

73	If line 72 is more than line 60, subtract line 60 from line 72. This is the amount you overpaid	73	
74a	Amount of line 73 you want refunded to you. If Form 8888 is attached, check here <input type="checkbox"/> 74a		
	b Routing number <input type="text"/> c Type: <input type="checkbox"/> Checking <input type="checkbox"/> Savings		
	d Account number <input type="text"/>		
75	Amount of line 73 you want applied to your 2011 estimated tax	75	

Amount You Owe

76	Amount you owe. Subtract line 72 from line 60. For details on how to pay see instructions	76	6,927.
77	Estimated tax penalty (see instructions)	77	27.

Third Party Designee

Do you want to allow another person to discuss this return with the IRS (see instructions)? ☒ Yes. Complete below. ☐ No

Designee's name **MARK E. SCHNEITER** Phone no. **907-562-4242** Personal identification number (PIN) **16685**

Sign Here

Joint return? See instructions.

Keep a copy for your records.

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.			
Your signature	Date	Your occupation	Daytime phone number
MARK E. SCHNEITER		MANAGER	
Spouse's signature, if a joint return, both must sign	Date	Spouse's occupation	
		HOMEMAKER	

Paid Preparer's Use Only

Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PIN
MARK E. SCHNEITER	MARK E. SCHNEITER	10/12/11		P00016685
Firm's name	Firm's EIN			
SCHNEITER COLE CPA'S, LLC	92-0133869			
Firm's address	Phone no.			
235 EAST 8TH AVE., STE. 3B ANCHORAGE, AK 99501	(907) 562-4242			

SEE STATEMENT 2

7,310.

Form 1040 (2010)

SCHEDULE B
(Form 1040A or 1040)Department of the Treasury
Internal Revenue Service (99)**Interest and Ordinary Dividends**

▶ Attach to Form 1040A or 1040.

▶ See instructions.

OMB No. 1545-0074

2010Attachment
Sequence No. **08**

Name(s) shown on return

ANDREW L. AND ABBIE M. BAUGH

Your social security number

Part I
Interest(See
instructions for
Form 1040A,
or Form 1040,
line 8a.)**Note.** If you
received a Form
1099-INT, Form
1099-OID, or
substitute statement
from a brokerage
firm, list the firm's
name as the payer
and enter the total
interest shown on
that form.

- 1**
- List name of payer. If any interest is from a seller-financed mortgage and the buyer used the property as a personal residence, see the instructions and list this interest first. Also, show that buyer's social security number and address.

KAANDA LLC
KIONA, LLC
TETON, LLC**Amount**1,251.
21.
398.**1**

- 2**
- Add the amounts on line 1.
-
- 3**
- Excludable interest on series EE and I U.S. savings bonds issued after 1989. Attach Form 8815.
-
- 4**
- Subtract line 3 from line 2. Enter the result here and on Form 1040A, or Form 1040, line 8a.

1,670.

3**4**

1,670.

Note. If line 4 is over \$1,500, you must complete Part III.**Part II**
Ordinary Dividends(See
instructions for
Form 1040A, or
Form 1040,
line 9a.)**Note.** If you
received a Form
1099-DIV or
substitute statement
from a brokerage
firm, list the firm's
name as the payer
and enter the
ordinary dividends
shown on that form.

- 5**
- List name of payer.

KAANDA LLC
NORDSTROM
TETON, LLC
WALT DISNEY**Amount**23.
8.
62.
1.**5**

- 6**
- Add the amounts on line 5. Enter the total here and on Form 1040A, or Form 1040, line 9a.

94.

6**Note.** If line 6 is over \$1,500, you must complete Part III.**Part III**
Foreign Accounts and Trusts(See
instructions.)

You must complete this part if you (a) had over \$1,500 of taxable interest or ordinary dividends; (b) had a foreign account; or (c) received a distribution from, or were a grantor of, or a transferor to, a foreign trust.

Yes**No**

- 7a**
- At any time during 2010, did you have an interest in or a signature or other authority over a financial account in a foreign country, such as a bank account, securities account, or other financial account? See instructions for exceptions and filing requirements for Form TD F 90-22.1.

X

- b**
- If 'Yes,' enter the name of the foreign country.

- 8**
- During 2010, did you receive a distribution from, or were you the grantor of, or transferor to, a foreign trust? If 'Yes,' you may have to file Form 3520. See instructions.

X

BAA For Paperwork Reduction Act Notice, see your tax return instructions.

FDIA0401L 10/15/10

Schedule B (Form 1040) 2010

SCHEDULE C
(Form 1040)

Department of the Treasury
Internal Revenue Service (99)

Profit or Loss From Business
(Sole Proprietorship)

► Partnerships, joint ventures, etc., generally must file Form 1065 or 1065-B.
► Attach to Form 1040, 1040NR, or 1041. ► See instructions for Schedule C (Form 1040).

OMB No. 1545-0074

2010

Attachment
Sequence No. **09**

Name of proprietor

ANDREW L. BAUGH

Social security number (SSN)

B Enter code from instructions

► **531100**

D Employer ID number (EIN), if any

26-3062509

A Principal business or profession, including product or service (see instructions)

STORAGE SPACE RENTALS

C Business name. If no separate business name, leave blank.

76TH PARK & STORE, LLC

E Business address (including suite or room no.) ►

City, town or post office, state, and ZIP code

F Accounting method: (1) ☒ Cash (2) ☐ Accrual (3) ☐ Other (specify) ►

G Did you 'materially participate' in the operation of this business during 2010? If 'No,' see instructions for limit on losses. ☒ Yes ☐ No

H If you started or acquired this business during 2010, check here

Part I Income

1 Gross receipts or sales. **Caution.** See instructions and check the box if:

- This income was reported to you on Form W-2 and the 'Statutory employee' box on that form was checked, or
- You are a member of a qualified joint venture reporting only rental real estate income not subject to self-employment tax. Also see instructions for limit on losses.

2 Returns and allowances

3 Subtract line 2 from line 1

4 Cost of goods sold (from line 42 on page 2)

5 **Gross profit.** Subtract line 4 from line 3

6 Other income, including federal and state gasoline or fuel tax credit or refund (see instructions)

7 **Gross income.** Add lines 5 and 6

Expenses. Enter expenses for business use of your home **only** on line 30.

8 Advertising

9 Car and truck expenses (see instructions)

10 Commissions and fees

11 Contract labor (see instructions)

12 Depletion

13 Depreciation and section 179 expense deduction (not included in Part III) (see instructions)

14 Employee benefit programs (other than on line 19)

15 Insurance (other than health)

16 Interest:

a Mortgage (paid to banks, etc.)

b Other

17 Legal & professional services

18 Office expense

19 Pension and profit-sharing plans

20 Rent or lease (see instructions):

a Vehicles, machinery, and equipment

b Other business property

21 Repairs and maintenance

22 Supplies (not included in Part III)

23 Taxes and licenses

24 Travel, meals, and entertainment:

a Travel

b Deductible meals and entertainment (see instructions)

25 Utilities

26 Wages (less employment credits)

27 Other expenses (from line 48 on page 2)

28 **Total expenses** before expenses for business use of home. Add lines 8 through 27

29 Tentative profit or (loss). Subtract line 28 from line 7

30 Expenses for business use of your home. Attach **Form 8829**

31 **Net profit or (loss).** Subtract line 30 from line 29.

- If a profit, enter on both **Form 1040**, line 12, and **Schedule SE**, line 2 or on **Form 1040NR**, line 13 (if you checked the box on line 1, see instructions). Estates and trusts, enter on **Form 1041**, line 3.
- If a loss, you **must** go to line 32.

32 If you have a loss, check the box that describes your investment in this activity (see instructions).

- If you checked 32a, enter the loss on both **Form 1040**, line 12, and **Schedule SE**, line 2, or on **Form 1040NR**, line 13 (if you checked the box on line 1, see the line 31 instructions). Estates and trusts, enter on **Form 1041**, line 3.
- If you checked 32b, you **must** attach **Form 6198**. Your loss may be limited.

32 a ☐ All investment is at risk.

32 b ☐ Some investment is not at risk.

BAA For Paperwork Reduction Act Notice, see your tax return instructions.

Schedule C (Form 1040) 2010

FD/20112L 12/27/10

EXC. 616

Exhibit No. 2004
Page 23 of 52

Part III Cost of Goods Sold (see instructions)**33** Method(s) used to value closing inventory: **a** ☐ Cost **b** ☐ Lower of cost or market **c** ☐ Other (attach explanation)**34** Was there any change in determining quantities, costs, or valuations between opening and closing inventory?

If 'Yes,' attach explanation

☐ Yes ☐ No**35** Inventory at beginning of year. If different from last year's closing inventory, attach explanation**35****36** Purchases less cost of items withdrawn for personal use**36****37** Cost of labor. Do not include any amounts paid to yourself**37****38** Materials and supplies**38****39** Other costs**39****40** Add lines 35 through 39**40****41** Inventory at end of year**41****42** **Cost of goods sold.** Subtract line 41 from line 40. Enter the result here and on page 1, line 4**42****Information on Your Vehicle.** Complete this part **only** if you are claiming car or truck expenses on line 9 and are not required to file Form 4562 for this business. See the instructions for line 13 to find out if you must file Form 4562.**43** When did you place your vehicle in service for business purposes? (month, day, year)**44** Of the total number of miles you drove your vehicle during 2010, enter the number of miles you used your vehicle for:**a** Business**b** Commuting (see instructions)**c** Other**45** Was your vehicle available for personal use during off-duty hours?☐ Yes ☐ No**46** Do you (or your spouse) have another vehicle available for personal use?☐ Yes ☐ No**47 a** Do you have evidence to support your deduction?☐ Yes ☐ No**b** If 'Yes,' is the evidence written?☐ Yes ☐ No**Other Expenses.** List below business expenses not included on lines 8-26 or line 30.

ACCOUNTING	3,752.
BANK CHARGES	3,272.
COMPUTER, INTERNET	2,846.
LICENSE	110.
MISCELLANEOUS	169.
POSTAGE	45.
TELEPHONE	3,043.
48 Total other expenses. Enter here and on page 1, line 27	48 13,237.

Schedule C (Form 1040) 2010

SCHEDULE C
(Form 1040)

Profit or Loss From Business
(Sole Proprietorship)

OMB No. 1545-0074

2010

Attachment
Sequence No. **09**

Department of the Treasury
Internal Revenue Service: (99)

► Partnerships, joint ventures, etc., generally must file Form 1065 or 1065-B.
► Attach to Form 1040, 1040NR, or 1041. ► See instructions for Schedule C (Form 1040).

Name of proprietor

ANDREW L. BAUGH

Social security number (SSN)

A Principal business or profession, including product or service (see instructions)

FILM-MAKING

B Enter code from instructions

► **713900**

C Business name. If no separate business name, leave blank.

D Employer ID number (EIN), if any

E Business address (including suite or room no.) ►

City, town or post office, state, and ZIP code

F Accounting method: (1) ☒ Cash (2) ☐ Accrual (3) ☐ Other (specify) ►

G Did you 'materially participate' in the operation of this business during 2010? If 'No,' see instructions for limit on losses. ☒ Yes ☐ No

H If you started or acquired this business during 2010, check here ☒

Part I Income

1 Gross receipts or sales. Caution. See instructions and check the box if: • This income was reported to you on Form W-2 and the 'Statutory employee' box on that form was checked, or • You are a member of a qualified joint venture reporting only rental real estate income not subject to self-employment tax. Also see instructions for limit on losses. <input type="checkbox"/>	1	3,600.
2 Returns and allowances	2	
3 Subtract line 2 from line 1	3	3,600.
4 Cost of goods sold (from line 42 on page 2)	4	
5 Gross profit. Subtract line 4 from line 3	5	3,600.
6 Other income, including federal and state gasoline or fuel tax credit or refund (see instructions)	6	
7 Gross income. Add lines 5 and 6	7	3,600.

Part II Expenses. Enter expenses for business use of your home **only** on line 30.

8 Advertising	8		18 Office expense	18	
9 Car and truck expenses (see instructions)	9		19 Pension and profit-sharing plans	19	
10 Commissions and fees	10		20 Rent or lease (see instructions):		
11 Contract labor (see instructions)	11		a Vehicles, machinery, and equipment	20a	
12 Depletion	12		b Other business property	20b	
13 Depreciation and section 179 expense deduction (not included in Part III) (see instructions)	13		21 Repairs and maintenance	21	
14 Employee benefit programs (other than on line 19)	14		22 Supplies (not included in Part III)	22	
15 Insurance (other than health)	15		23 Taxes and licenses	23	
16 Interest:			24 Travel, meals, and entertainment:		
a Mortgage (paid to banks, etc.)	16a		a Travel	24a	
b Other	16b		b Deductible meals and entertainment (see instructions)	24b	
17 Legal & professional services	17		25 Utilities	25	
28 Total expenses before expenses for business use of home. Add lines 8 through 27	28		26 Wages (less employment credits)	26	
29 Tentative profit or (loss). Subtract line 28 from line 7	29	3,600.	27 Other expenses (from line 48 on page 2)	27	
30 Expenses for business use of your home. Attach Form 8829	30				
31 Net profit or (loss). Subtract line 30 from line 29. • If a profit, enter on both Form 1040 , line 12, and Schedule SE , line 2 or on Form 1040NR , line 13 (if you checked the box on line 1, see instructions). Estates and trusts, enter on Form 1041 , line 3. • If a loss, you must go to line 32.	31	3,600.			

32 If you have a loss, check the box that describes your investment in this activity (see instructions).

• If you checked 32a, enter the loss on both **Form 1040**, line 12, and **Schedule SE**, line 2, or on **Form 1040NR**, line 13 (if you checked the box on line 1, see the line 31 instructions). Estates and trusts, enter on **Form 1041**, line 3.

• If you checked 32b, you **must** attach **Form 6198**. Your loss may be limited.

32a ☐ All investment is at risk.

32b ☐ Some investment is not at risk.

BAA For Paperwork Reduction Act Notice, see your tax return instructions.

Schedule C (Form 1040) 2010

FD120112L 12/27/10

EXC. 618

Exhibit No. 2004
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SCHEDULE E**(Form 1040)**Department of the Treasury
Internal Revenue Service (99)**Supplemental Income and Loss**(From rental real estate, royalties, partnerships,
S corporations, estates, trusts, REMICs, etc.)

- ▶ Attach to Form 1040, 1040NR, or Form 1041.
- ▶ See Instructions for Schedule E (Form 1040).

OMB No. 1545-0074

2010Attachment
Sequence No. **13**

Name(s) shown on return

ANDREW L. AND ABBIE M. BAUGH

Your social security number

Form **Income or Loss From Rental Real Estate and Royalties** Note. If you are in the business of renting personal property, use Schedule C or C-EZ (see instructions). If you are an individual, report farm rental income or loss from Form 4835 on page 2, line 40.

1 List the type and address of each rental real estate property:		2 For each rental real estate property listed on line 1, did you or your family use it during the tax year for personal purposes for more than the greater of: • 14 days, or • 10% of the total days rented at fair rental value? (See instructions.)		Yes	No
A	B	C			
RESIDENCE LAKE SAMMAMISH, LAKE SAMMAMISH, WA 98008					X
MOBILE HOME SPACE #15 4300 ARCTIC, ANCHORAGE, AK 99503					X
MOBILE HOME SPACE #10 4300 ARCTIC, ANCHORAGE, AK 99503					X

Income:		Properties			Totals (Add columns A, B, and C.)
		A	B	C	
3 Rents received	3	1,333.	6,580.	5,122.	3 17,915.
4 Royalties received	4				4
Expenses:					
5 Advertising	5				
6 Auto and travel (see instructions)	6				
7 Cleaning and maintenance	7				
8 Commissions	8				
9 Insurance	9				
10 Legal and other professional fees	10	200.	200.	200.	
11 Management fees	11				
12 Mortgage interest paid to banks, etc (see instructions)	12				12
13 Other interest	13				
14 Repairs	14				
15 Supplies	15				
16 Taxes	16				
17 Utilities	17				
18 Other (list) ▶	18				
MISCELLANEOUS			154.	154.	
SPACE RENTAL			4,060.	3,088.	
19 Add lines 5 through 18	19	200.	4,414.	3,442.	19 17,658.
20 Depreciation expense or depletion (see instructions)	20	509.	441.	273.	20 7,910.
21 Total expenses. Add lines 19 and 20	21	709.	4,855.	3,715.	
22 Income or (loss) from rental real estate or royalty properties. Subtract line 21 from line 3 (rents) or line 4 (royalties). If the result is a (loss), see instructions to find out if you must file Form 6198.	22	624.	1,725.	1,407.	
23 Deductible rental real estate loss. Caution: Your rental real estate loss on line 22 may be limited. See instructions to find out if you must file Form 8582. Real estate professionals must complete line 43 on page 2.	23				
24 Income. Add positive amounts shown on line 22. Do not include any losses.	24				24 3,756.
25 Losses. Add royalty losses from line 22 and rental real estate losses from line 23. Enter total losses here.	25				25 -11,409.
26 Total rental real estate and royalty income or (loss). Combine lines 24 and 25. Enter the result here. If Parts II, III, IV, and line 40 on page 2 do not apply to you, also enter this amount on Form 1040, line 17, or Form 1040NR, line 18. Otherwise, include this amount in the total on line 41 on page 2.	26				26 -7,653.

SCHEDULE E
(Form 1040)

 Department of the Treasury
Internal Revenue Service (99)

Supplemental Income and Loss

 (From rental real estate, royalties, partnerships,
S corporations, estates, trusts, REMICs, etc.)

- ▶ Attach to Form 1040, 1040NR, or Form 1041.
- ▶ See Instructions for Schedule E (Form 1040).

OMB No. 1545-0074

2010

 Attachment
Sequence No. **13**

Name(s) shown on return

ANDREW L. AND ABBIE M. BAUGH

Your social security number

Income or Loss From Rental Real Estate and Royalties Note. If you are in the business of renting personal property, use Schedule C or C-EZ (see instructions). If you are an individual, report farm rental income or loss from Form 4835 on page 2, line 40.

1	List the type and address of each rental real estate property:	2	For each rental real estate property listed on line 1, did you or your family use it during the tax year for personal purposes for more than the greater of: • 14 days, or • 10% of the total days rented at fair rental value? (See instructions.)	Yes	No
A	MOBILE HOME SPACE #11 4300 ARCTIC BLVD, ANCHORAGE, AK 99503				X
B	MOBILE HOME SPACE #18 4300 ARCTIC BLVD, ANCHORAGE, AK 99503				X
C	MOBILE HOME SPACE #25 4300 ARCTIC BLVD., ANCHORAGE, AK 99503				X

		Properties			Totals (Add columns A, B, and C.)
		A	B	C	
Income:					
3	Rents received	4,880.			3
4	Royalties received				4
Expenses:					
5	Advertising				
6	Auto and travel (see instructions)				
7	Cleaning and maintenance				
8	Commissions				
9	Insurance				
10	Legal and other professional fees	200.			
11	Management fees				
12	Mortgage interest paid to banks, etc (see instructions)				12
13	Other interest				
14	Repairs				
15	Supplies				
16	Taxes				
17	Utilities				
18	Other (list) ▶				
	MISCELLANEOUS	154.	154.	154.	
	SPACE RENTAL	4,060.	3,140.	1,740.	
19	Add lines 5 through 18	4,414.	3,294.	1,894.	19
20	Depreciation expense or depletion (see instructions)	2,111.	1,622.	2,954.	20
21	Total expenses. Add lines 19 and 20	6,525.	4,916.	4,848.	
22	Income or (loss) from rental real estate or royalty properties. Subtract line 21 from line 3 (rents) or line 4 (royalties). If the result is a (loss), see instructions to find out if you must file Form 6198.	-1,645.	-4,916.	-4,848.	
23	Deductible rental real estate loss. Caution. Your rental real estate loss on line 22 may be limited. See instructions to find out if you must file Form 8582. Real estate professionals must complete line 43 on page 2.	-1,645.	-4,916.	-4,848.	
24	Income. Add positive amounts shown on line 22. Do not include any losses.				24
25	Losses. Add royalty losses from line 22 and rental real estate losses from line 23. Enter total losses here.				25
26	Total rental real estate and royalty income or (loss). Combine lines 24 and 25. Enter the result here. If Parts II, III, IV, and line 40 on page 2 do not apply to you, also enter this amount on Form 1040, line 17, or Form 1040NR, line 18. Otherwise, include this amount in the total on line 41 on page 2.				26

BAA For Paperwork Reduction Act Notice, see your tax return instructions.

FDIZ2301L 06/25/10

Schedule E (Form 1040) 2010

Name(s) shown on return. Do not enter name and social security number if shown on Page 1.

Your social security number

ANDREW L. AND ABBIE M. BAUGH

Caution: The IRS compares amounts reported on your tax return with amounts shown on Schedule(s) K-1.**Part II Income or Loss From Partnerships and S Corporations****Note.** If you report a loss from an at-risk activity for which any amount is not at risk, you must check the box in column (e) on line 28 and attach Form 6198. See instructions.

- 27 Are you reporting any loss not allowed in a prior year due to the at-risk or basis limitations, a prior year unallowed loss from a passive activity (if that loss was not reported on Form 8582), or unreimbursed partnership expenses? ☐ Yes ☒ No
If you answered 'Yes,' see instructions before completing this section.

28	(a) Name	(b) Enter P for partnership; S for S corporation	(c) Check if foreign partnership	(d) Employer identification number	(e) Check if any amount is not at risk
A	SEE STATEMENT 4				
B					
C					
D					

Passive Income and Loss		Nonpassive Income and Loss		
(f) Passive loss allowed (attach Form 8582 if required)	(g) Passive income from Schedule K-1	(h) Nonpassive loss from Schedule K-1	(i) Section 179 expense deduction from Form 4562	(j) Nonpassive income from Schedule K-1
A				
B				
C				
D				
29a Totals		86,178.		
b Totals	33,702.			
30 Add columns (g) and (j) of line 29a			30	86,178.
31 Add columns (f), (h), and (i) of line 29b			31	-33,702.
32 Total partnership and S corporation income or (loss). Combine lines 30 and 31. Enter the result here and include in the total on line 41 below			32	52,476.

Part III Income or Loss From Estates and Trusts

33	(a) Name	(b) Employer ID no.
A		
B		
Passive Income and Loss		Nonpassive Income and Loss
(c) Passive deduction or loss allowed (attach Form 8582 if required)	(d) Passive income from Schedule K-1	(e) Deduction or loss from Schedule K-1
A		
B		
34a Totals		
b Totals		
35 Add columns (d) and (f) of line 34a		35
36 Add columns (c) and (e) of line 34b		36
37 Total estate and trust income or (loss). Combine lines 35 and 36. Enter the result here and include in the total on line 41 below		37

Part IV Income or Loss From Real Estate Mortgage Investment Conduits (REMICs) – Residual Holder

38	(a) Name	(b) Employer identification number	(c) Excess inclusion from Schedules Q, line 2c (see instructions)	(d) Taxable income (net loss) from Schedules Q, line 1b	(e) Income from Schedules Q, line 3b
39	Combine columns (d) and (e) only. Enter the result here and include in the total on line 41 below				39

Summary

40	Net farm rental income or (loss) from Form 4835. Also, complete line 42 below	40	
41	Total income or (loss). Combine lines 26, 32, 37, 39, and 40. Enter the result here and on Form 1040, line 17, or Form 1040NR, line 18	41	44,823.
42	Reconciliation of farming and fishing income. Enter your gross farming and fishing income reported on Form 4835, line 7; Schedule K-1 (Form 1065), box 14, code B; Schedule K-1 (Form 1120S), box 17, code U; and Schedule K-1 (Form 1041), line 14, code F (see instructions)	42	
43	Reconciliation for real estate professionals. If you were a real estate professional (see instructions), enter the net income or (loss) you reported anywhere on Form 1040 or Form 1040NR from all rental real estate activities in which you materially participated under the passive activity loss rules	43	

2010**FEDERAL STATEMENTS****PAGE 1****CLIENT BAUGH****ANDREW L. AND ABBIE M. BAUGH**

10/12/11

01:30PM

**STATEMENT 1
FORM 1040, LINE 21
OTHER INCOME**

ALASKA PERMANENT FUND DIVIDENDS.....	\$	2,562.
INVESTMENT INTEREST ADJUSTMENT.....		6,498.
INVESTMENT INTEREST CARRYOVER.....		-6,498.
TETON, LLC FORM 1099-MISC.....		9,458.
TOTAL	\$	<u>12,020.</u>

**STATEMENT 2
FORM 1040, PAGE 2
PENALTIES**

TAX DUE BEFORE PENALTIES.....	\$	6,927.
LATE PAYMENT.....		242.
INTEREST.....		141.
GRAND TOTAL TAX DUE	\$	<u>7,310.</u>

**STATEMENT 3
SCHEDULE A, LINE 16
CONTRIBUTIONS BY CASH OR CHECK**

.....	\$	100.
TOTAL	\$	<u>100.</u>

2010

FEDERAL STATEMENTS

PAGE 2

CLIENT BAUGHA

ANDREW L. AND ABBIE M. BAUGH

10/12/11

01:30PM

STATEMENT 4
SCHEDULE E, PAGE 2
PART II - INCOME OR LOSS FROM PARTNERSHIPS AND S CORPORATIONS

NAME	TYPE	X IF FOREIGN	EMPLOYER I.D. NO.	ANY INVT. NOT AT RISK	PTP	PASSIVE LOSS FROM FORM 8582	PASSIVE INC. FROM SCH. K-1	NONPASSIVE LOSS FROM SCH. K-1	SECTION 179 DEDUCTION	NONPASSIVE INCOME FROM K-1
KAANDA LLC	P		92-0161254				\$ 42,061.			
KIONA, LLC	P		55-0857166			\$ 17,203.				
TETON, LLC	P		72-1589514				44,117.			
TETON, LLC - SEC 754 DEDUCTION	P		72-1589514			16,499.				
ALASKA SNOW SAFARIS, INC.	S		51-0430523							
TOTAL						\$ 33,702.	\$ 86,178.	\$ 0.	\$ 0.	\$ 0.

Exhibit No. 2004
Page 47 of 52

Tax and Credits

38 Amount from line 37 (adjusted gross income) 38 146,418.

39a Check ☐ You were born before January 2, 1947, ☐ Blind. Total boxes checked ☐ 39a

If: ☐ Spouse was born before January 2, 1947, ☐ Blind. ☐ 39b

Standard Deduction for —

• People who check any box on line 39a or 39b or who can be claimed as a dependent, see instructions.

• All others:
Single or Married filing separately, \$5,800
Married filing jointly or Qualifying widow(er), \$11,600
Head of household, \$8,500

b If your spouse itemizes on a separate return or you were a dual-status alien, check here ☐ 39b

40 Itemized deductions (from Schedule A) or your standard deduction (see instructions) 40 45,996.

41 Subtract line 40 from line 38 41 100,422.

42 Exemptions. Multiply \$3,700 by the number on line 6d. 42 14,800.

43 Taxable income. Subtract line 42 from line 41. 43 85,622.

If line 42 is more than line 41, enter -0-

44 Tax (see instrs). Check if any from: a ☒ Form(s) 8814 c ☐ 962 election

b ☐ Form 4972 44 4,819.

45 Alternative minimum tax (see instructions). Attach Form 6251. 45 0.

46 Add lines 44 and 45 46 4,819.

47 Foreign tax credit. Attach Form 1116 if required 47

48 Credit for child and dependent care expenses. Attach Form 2441 48

49 Education credits from Form 8863, line 23 49

50 Retirement savings contributions credit. Attach Form 8880 50

51 Child tax credit (see instructions) 51 150.

52 Residential energy credits. Attach Form 5695 52

53 Other crs from Form: a ☐ 3800 b ☐ 8801 c ☐ 53

54 Add lines 47 through 53. These are your total credits 54 150.

55 Subtract line 54 from line 46. If line 54 is more than line 46, enter -0- 55 4,669.

56 Self-employment tax. Attach Schedule SE 56 3,656.

57 Unreported social security and Medicare tax from Form: a ☐ 4137 b ☐ 8919 57

58 Additional tax on IRAs, other qualified retirement plans, etc. Attach Form 5329 if required 58 398.

59a Household employment taxes from Schedule H 59a

b First-time homebuyer credit repayment. Attach Form 5405 if required 59b

60 Other taxes. Enter code(s) from instructions 60

61 Add lines 55-60. This is your total tax 61 8,723.

Payments

If you have a qualifying child, attach Schedule EIC.

62 Federal income tax withheld from Forms W-2 and 1099 62 1,101.

63 2011 estimated tax payments and amount applied from 2010 return 63 10,560.

64a Earned income credit (EIC) 64a

b Nontaxable combat pay election 64b

65 Additional child tax credit. Attach Form 8812 65

66 American opportunity credit from Form 8863, line 14 66

67 First-time homebuyer credit from Form 5405, line 10 67

68 Amount paid with request for extension to file 68

69 Excess social security and tier 1 RRTA tax withheld 69

70 Credit for federal tax on fuels. Attach Form 4136 70

71 Credits from Form: a ☐ 2439 b ☐ 8839 c ☐ 8801 d ☐ 8885 71

72 Add lines 62, 63, 64a, & 65-71. These are your total payments 72 11,661.

Refund

73 If line 72 is more than line 61, subtract line 61 from line 72. This is the amount you overpaid 73 2,938.

74a Amount of line 73 you want refunded to you. If Form 8888 is attached, check here ☐ 74a 0.

b Routing number c Type: ☐ Checking ☐ Savings

d Account number 74b

Direct deposit? See instructions.

75 Amount of line 73 you want applied to your 2012 estimated tax 75 2,840.

Amount You Owe

76 Amount you owe. Subtract line 72 from line 61. For details on how to pay see instructions 76

77 Estimated tax penalty (see instructions) 77 98.

Third Party Designee

Do you want to allow another person to discuss this return with the IRS (see instructions)? ☒ Yes. Complete below. ☐ No

Designee's name **MARK E. SCHNEITER** Phone no. **907-562-4242** Personal identification number (PIN) **16685**

Sign Here

Joint return? See instructions.

Keep a copy for your records.

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Your signature _____ Date _____ Your occupation **MANAGER** Daytime phone number _____

Spouse's signature, if a joint return, both must sign. _____ Date _____ Spouse's occupation **HOMEMAKER** If the IRS sent you an Identity Protection PIN, enter it here (see last)

Print/type preparer's name **MARK E. SCHNEITER** Preparer's signature **MARK E. SCHNEITER** Date **10/11/12** Check ☐ if self-employed PTIN **P00016685**

Paid Preparer's Use Only

Firm's name **SCHNEITER COLE CPA'S, LLC** Firm's EIN **92-0133869**

Firm's address **235 EAST 8TH AVE., STE. 3B** Phone no. **(907) 562-4242**

ANCHORAGE, AK 99501

SCHEDULE B
(Form 1040A or 1040)

Interest and Ordinary Dividends

OMB No. 1545-0074

2011

Attachment
Sequence No. **08**

Department of the Treasury
Internal Revenue Service (99)

▶ **Attach to Form 1040A or 1040.**

▶ **See instructions.**

Name(s) shown on return

Your social security number

ANDREW L. AND ABBIE M. BAUGH

Part I
Interest

(See
Instructions for
Form 1040A,
or Form 1040,
line 8a.)

Note. If you
received a Form
1099-INT, Form
1099-OID, or
substitute statement
from a brokerage
firm, list the firm's
name as the payer
and enter the total
interest shown on
that form.

- 1** List name of payer. If any interest is from a seller-financed mortgage and the buyer used the property as a personal residence, see the instructions and list this interest first. Also, show that buyer's social security number and address ▶

KAANDA LLC
KIONA, LLC
TETON, LLC

Amount

2,009.
14.
230.

1

- 2** Add the amounts on line 1. **2** 2,253.
3 Excludable interest on series EE and I U.S. savings bonds issued after 1989. Attach Form 8815. **3**
4 Subtract line 3 from line 2. Enter the result here and on Form 1040A, or Form 1040, line 8a. **4** 2,253.

Note. If line 4 is over \$1,500, you must complete Part III.

Part II
Ordinary
Dividends

(See
Instructions for
Form 1040A, or
Form 1040,
line 9a.)

Note. If you
received a Form
1099-DIV or
substitute statement
from a brokerage
firm, list the firm's
name as the payer
and enter the
ordinary dividends
shown on that form.

- 5** List name of payer. ▶

NORDSTROM
TETON, LLC
WALT DISNEY

Amount

46.
247.
1.

5

- 6** Add the amounts on line 5. Enter the total here and on Form 1040A, or Form 1040, line 9a. **6** 294.

Note. If line 6 is over \$1,500, you must complete Part III.

Part III
Foreign
Accounts
and
Trusts

(See
instructions.)

You must complete this part if you (a) had over \$1,500 of taxable interest or ordinary dividends; (b) had a foreign account; or (c) received a distribution from, or were a grantor of, or a transferor to, a foreign trust.

- 7a** At any time during 2011, did you have a financial interest in or signature authority over a financial account (such as a bank account, securities account, or brokerage account) located in a foreign country? See instructions.

If 'Yes,' are you required to file Form TD F 90-22.1 to report that financial interest or signature authority? See Form TD F 90-22.1 and its Instructions for filing requirements and exceptions to those requirements.

- b** If you are required to file Form TD F 90-22.1, enter the name of the foreign country where the financial account is located ▶

- 8** During 2011, did you receive a distribution from, or were you the grantor of, or transferor to, a foreign trust?

If 'Yes,' you may have to file Form 3520. See instructions.

Yes	No
	X
	X

Part III Cost of Goods Sold (see instructions)33 Method(s) used to value closing inventory: **a** ☐ Cost **b** ☐ Lower of cost or market **c** ☐ Other (attach explanation)34 Was there any change in determining quantities, costs, or valuations between opening and closing inventory?
If 'Yes,' attach explanation☐ Yes ☐ No35 Inventory at beginning of year. If different from last year's closing inventory,
attach explanation**35**

36 Purchases less cost of items withdrawn for personal use

36

37 Cost of labor. Do not include any amounts paid to yourself

37

38 Materials and supplies

38

39 Other costs

39

40 Add lines 35 through 39

40

41 Inventory at end of year

4142 **Cost of goods sold.** Subtract line 41 from line 40. Enter the result here and on line 4**42****Part IV Information on Your Vehicle.** Complete this part **only** if you are claiming car or truck expenses on line 9 and are not required to file Form 4562 for this business. See the instructions for line 13 to find out if you must file Form 4562.

43 When did you place your vehicle in service for business purposes? (month, day, year)

44 Of the total number of miles you drove your vehicle during 2011, enter the number of miles you used your vehicle for:

a Business**b** Commuting (see instructions)**c** Other

45 Was your vehicle available for personal use during off-duty hours?

☐ Yes ☐ No

46 Do you (or your spouse) have another vehicle available for personal use?

☐ Yes ☐ No

47a Do you have evidence to support your deduction?

☐ Yes ☐ No**b** If 'Yes,' is the evidence written?☐ Yes ☐ No**Part V Other Expenses.** List below business expenses not included on lines 8-26 or line 30.

BANK CHARGES	3,680.
COMPUTER, INTERNET	2,783.
LICENSE	325.
MISCELLANEOUS	584.
POSTAGE	103.
PRINTING	103.
TELEPHONE	3,226.
TOOLS	644.
TRUCK EXPENSE	195.
48 Total other expenses. Enter here and on line 27a	48 11,643.

Schedule C (Form 1040) 2011

SCHEDULE C
(Form 1040)

Profit or Loss From Business
(Sole Proprietorship)

OMB No. 1545-0074

2011

Attachment
Sequence No. **09**

Department of the Treasury
Internal Revenue Service (99)

► For information on Schedule C and its instructions, go to www.irs.gov/schedulec.
► Attach to Form 1040, 1040NR, or 1041; partnerships generally must file Form 1065.

Name of proprietor ANDREW L. BAUGH		Social security number (SSN) [REDACTED]
A Principal business or profession, including product or service (see instructions) FILM-MAKING		B Enter code from instructions ► 713900
C Business name, if no separate business name, leave blank.		D Employer ID number (EIN), (see instrs)
E Business address (including suite or room no.) City, town or post office, state, and ZIP code		
F Accounting method: (1) <input checked="" type="checkbox"/> Cash (2) <input type="checkbox"/> Accrual (3) <input type="checkbox"/> Other (specify) ►		
G Did you 'materially participate' in the operation of this business during 2011? If 'No,' see instructions for limit on losses. <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
H If you started or acquired this business during 2011, check here <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
I Did you make any payments in 2011 that would require you to file Form(s) 1099? (see instructions). <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
J If 'Yes,' did you or will you file all required Forms 1099? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		

Income	
1a Merchant card and third party payments. For 2011, enter -0-	1a 0.
b Gross receipts or sales not entered on line 1a (see instructions)	1b 3,600.
c Income reported to you on Form W-2 if the 'Statutory Employee' box on that form was checked. Caution. See instructions before completing this line	1c
d Total gross receipts. Add lines 1a through 1c.	1d 3,600.
2 Returns and allowances plus any other adjustments (see instructions)	2
3 Subtract line 2 from line 1d.	3 3,600.
4 Cost of goods sold (from line 42)	4
5 Gross profit. Subtract line 4 from line 3.	5 3,600.
6 Other income, including federal and state gasoline or fuel tax credit or refund (see instructions)	6
7 Gross income. Add lines 5 and 6.	7 3,600.

Part II Expenses. Enter expenses for business use of your home only on line 30.	
8 Advertising	8
9 Car and truck expenses (see instructions)	9
10 Commissions and fees	10
11 Contract labor (see instructions)	11
12 Depletion	12
13 Depreciation and section 179 expense deduction (not included in Part III) (see instructions)	13
14 Employee benefit programs (other than on line 19)	14
15 Insurance (other than health)	15
16 Interest:	
a Mortgage (paid to banks, etc.)	16a
b Other	16b
17 Legal & professional services	17 100.
18 Office expense (see instructions)	18
19 Pension and profit-sharing plans	19
20 Rent or lease (see instructions):	
a Vehicles, machinery, and equipment	20a
b Other business property	20b
21 Repairs and maintenance	21
22 Supplies (not included in Part III)	22
23 Taxes and licenses	23
24 Travel, meals, and entertainment:	
a Travel	24a
b Deductible meals and entertainment (see instructions)	24b
25 Utilities	25
26 Wages (less employment credits)	26
27a Other expenses (from line 48)	27a
b Reserved for future use	27b
28 Total expenses before expenses for business use of home. Add lines 8 through 27a	28 100.
29 Tentative profit or (loss). Subtract line 28 from line 7.	29 3,500.
30 Expenses for business use of your home. Attach Form 8829. Do not report such expenses elsewhere	30
31 Net profit or (loss). Subtract line 30 from line 29.	31 3,500.

• If a profit, enter on both Form 1040, line 12 (or Form 1040NR, line 13) and on Schedule SE, line 2. If you entered an amount on line 1c, see instructions. Estates and trusts, enter on Form 1041, line 3.
 • If a loss, you must go to line 32.
 32 If you have a loss, check the box that describes your investment in this activity (see instructions).
 • If you checked 32a, enter the loss on both Form 1040, line 12, (or Form 1040NR, line 13) and on Schedule SE, line 2. If you entered an amount on line 1c, see the instructions for line 31. Estates and trusts, enter on Form 1041, line 3.
 • If you checked 32b, you must attach Form 6198. Your loss may be limited.

BAA For Paperwork Reduction Act Notice, see your tax return instructions.

FD/20112L 10/25/11

Schedule C (Form 1040) 2011

SCHEDULE E
(Form 1040)

Department of the Treasury
Internal Revenue Service (99)

Supplemental Income and Loss
(From rental real estate, royalties, partnerships,
S corporations, estates, trusts, REMICs, etc)
▶ Attach to Form 1040, 1040NR, or Form 1041.
▶ See separate instructions.

OMB No. 1545-0074

2011

Attachment
Sequence No. **13**

Name(s) shown on return

ANDREW L. AND ABBIE M. BAUGH

Your social security number

- A** Did you make any payments in 2011 that would require you to file Form(s) 1099? (see instructions) Yes ☐ No ☒
B If "Yes," did you or will you file all required Forms 1099? Yes ☐ No ☐

Income or Loss From Rental Real Estate and Royalties Note. If you are in the business of renting personal property, use Schedule C or C-EZ (see instructions). If you are an individual, report farm rental income or loss from Form 4835 on page 2, line 40.

Caution. For each rental property listed on line 1, check the box in the last column only if you owned that property as a member of a qualified joint venture (QJV) reporting income not subject to self-employment tax.

1	Physical address of each property — street, city, state, zip	Type — from list below	2	For each rental real estate property listed, report the number of days rented at fair rental value and days with personal use. See instructions.	Fair Rental Days	Personal use Days	QJV
A	LAKE SAMMAMISH LAKE SAMMAMISH, WA 98008	1		A			
B	4300 ARCTIC ANCHORAGE, AK 99503	1		B			
C	4300 ARCTIC ANCHORAGE, AK 99503	1		C			

Type of Property:

- 1 Single Family Residence 3 Vacation/Short-Term Rental 5 Land 7 Self-Rental
2 Multi-Family Residence 4 Commercial 6 Royalties 8 Other (describe)

Income:

	A	B	C
3a Merchant card and third party payments. For 2011, enter -0-...	0.	0.	0.
b Payments not reported to you on line 3a	924.		6,242.
4 Total not including amounts on line 3a that are not income (see instructions)	924.		6,242.

Expenses:

	A	B	C
5 Advertising			
6 Auto and travel (see instructions)			
7 Cleaning and maintenance			
8 Commissions			
9 Insurance		242.	241.
10 Legal and other professional fees	100.	100.	100.
11 Management fees			
12 Mortgage interest paid to banks, etc (see instructions)			
13 Other interest			
14 Repairs			432.
15 Supplies			
16 Taxes		215.	215.
17 Utilities			462.
18 Depreciation expense or depletion	509.	406.	416.
19 Other (list) ▶ SEE STM 5 SEE ST 6		4,356.	3,775.
20 Total expenses. Add lines 5 through 19	609.	5,319.	5,641.

21 Subtract line 20 from line 4. If result is a (loss), see instructions to find out if you must file Form 6198	315.	-5,319.	601.
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22 Deductible rental real estate loss after limitation, if any, on Form 8582 (see instructions)		-4,487.	
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23a Total of all amounts reported on line 3a for all rental properties	23a		
b Total of all amounts reported on line 3a for all royalty properties	23b		
c Total of all amounts reported on line 4 for all rental properties	23c	18,416.	
d Total of all amounts reported on line 4 for all royalty properties	23d		
e Total of all amounts reported on line 12 for all properties	23e		
f Total of all amounts reported on line 18 for all properties	23f	19,743.	
g Total of all amounts reported on line 20 for all properties	23g	52,221.	

24 Income. Add positive amounts shown on line 21. Do not include any losses	24		916.
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25 Losses. Add royalty losses from line 21 and rental real estate losses from line 22. Enter total losses here	25		-29,291.
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26 Total rental real estate and royalty income or (loss). Combine lines 24 and 25. Enter the result here. If Parts II, III, IV, and line 40 on page 2 do not apply to you, also enter this amount on Form 1040, line 17, or Form 1040NR, line 18. Otherwise, include this amount in the total on line 41 on page 2	26		-28,375.
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BAA For Paperwork Reduction Act Notice, see instructions.

FDIZ2301L 11/22/11

Schedule E (Form 1040) 2011

SCHEDULE E
(Form 1040)

Department of the Treasury
Internal Revenue Service (99)

Supplemental Income and Loss
(From rental real estate, royalties, partnerships,
S corporations, estates, trusts, REMICs, etc)
▶ Attach to Form 1040, 1040NR, or Form 1041.
▶ See separate instructions.

OMB No. 1545-0074

2011

Attachment
Sequence No. 13

Name(s) shown on return

ANDREW L. AND ABBIE M. BAUGH

Your social security number

- A** Did you make any payments in 2011 that would require you to file Form(s) 1099? (see instructions) ☐ Yes ☐ No
B If 'Yes,' did you or will you file all required Forms 1099? ☐ Yes ☐ No

Part I Income or Loss From Rental Real Estate and Royalties Note. If you are in the business of renting personal property, use Schedule C or C-EZ (see instructions). If you are an individual, report farm rental income or loss from Form 4835 on page 2, line 40.

Caution. For each rental property listed on line 1, check the box in the last column only if you owned that property as a member of a qualified joint venture (QJV) reporting income not subject to self-employment tax.

1	Physical address of each property — street, city, state, zip	Type — from list below	2	For each rental real estate property listed, report the number of days rented at fair rental value and days with personal use. See instructions.	Fair Rental Days	Personal use Days	QJV
A	4300 ARCTIC BLVD ANCHORAGE, AK 99503	1			A		
B	4300 ARCTIC BLVD ANCHORAGE, AK 99503	1			B		
C	4300 ARCTIC BLVD. ANCHORAGE, AK 99503	1			C		

Type of Property:

- 1 Single Family Residence 3 Vacation/Short-Term Rental 5 Land 7 Self-Rental
2 Multi-Family Residence 4 Commercial 6 Royalties 8 Other (describe)

Income:

	Properties		
	A	B	C
3a Merchant card and third party payments. For 2011, enter -0-.	0.	0.	0.
b Payments not reported to you on line 3a	3,950.	2,300.	5,000.
4 Total not including amounts on line 3a that are not income (see instructions)	3,950.	2,300.	5,000.

Expenses:

5 Advertising	5		
6 Auto and travel (see instructions)	6		
7 Cleaning and maintenance	7		
8 Commissions	8		
9 Insurance	9	241.	242.
10 Legal and other professional fees	10	100.	100.
11 Management fees	11		
12 Mortgage interest paid to banks, etc (see instructions)	12		
13 Other interest	13		
14 Repairs	14	9.	1,081.
15 Supplies	15		
16 Taxes	16	215.	215.
17 Utilities	17	987.	1,943.
18 Depreciation expense or depletion	18	6,014.	4,789.
19 Other (list) ▶ SEE STM 7 SEE STM 8 SEE ST 9	19	4,355.	4,356.
20 Total expenses. Add lines 5 through 19	20	11,921.	12,726.
21 Subtract line 20 from line 4. If result is a (loss), see instructions to find out if you must file Form 6198	21	-7,971.	-10,426.

22 Deductible rental real estate loss after limitation, if any, on Form 8582 (see instructions)	22	-6,724.	-8,796.	-9,284.
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23a Total of all amounts reported on line 3a for all rental properties	23a			
b Total of all amounts reported on line 3a for all royalty properties	23b			
c Total of all amounts reported on line 4 for all rental properties	23c			
d Total of all amounts reported on line 4 for all royalty properties	23d			
e Total of all amounts reported on line 12 for all properties	23e			
f Total of all amounts reported on line 18 for all properties	23f			
g Total of all amounts reported on line 20 for all properties	23g			

24 Income. Add positive amounts shown on line 21. Do not include any losses	24			
25 Losses. Add royalty losses from line 21 and rental real estate losses from line 22. Enter total losses here	25			
26 Total rental real estate and royalty income or (loss). Combine lines 24 and 25. Enter the result here. If Parts II, III, IV, and line 40 on page 2 do not apply to you, also enter this amount on Form 1040, line 17, or Form 1040NR, line 18. Otherwise, include this amount in the total on line 41 on page 2	26			

BAA For Paperwork Reduction Act Notice, see instructions.

FDI22301L 11/22/11

Schedule E (Form 1040) 2011

Name(s) shown on return. Do not enter name and social security number if shown on Page 1.

Your social security number

ANDREW L. AND ABBIE M. BAUGH

Caution: The IRS compares amounts reported on your tax return with amounts shown on Schedule(s) K-1.

Part I Income or Loss From Partnerships and S Corporations

Note. If you report a loss from an at-risk activity for which any amount is not at risk, you must check the box in column (e) on line 28 and attach Form 6198. See instructions.

- 27 Are you reporting any loss not allowed in a prior year due to the at-risk or basis limitations, a prior year unallowed loss from a passive activity (if that loss was not reported on Form 8582), or unreimbursed partnership expenses? ☐ Yes ☒ No
If you answered 'Yes,' see instructions before completing this section.

28	(a) Name	(b) Enter P for partnership; S for S corporation	(c) Check if foreign partnership	(d) Employer identification number	(e) Check if any amount is not at risk
A	SEE STATEMENT 10				
B					
C					
D					

Passive Income and Loss		Nonpassive Income and Loss		
(f) Passive loss allowed (attach Form 8582 if required)	(g) Passive income from Schedule K-1	(h) Nonpassive loss from Schedule K-1	(i) Section 179 expense deduction from Form 4562	(j) Nonpassive income from Schedule K-1
A				
B				
C				
D				
29a Totals.....	66,624.			
b Totals.....	38,742.			
30 Add columns (g) and (j) of line 29a.....			30	66,624.
31 Add columns (f), (h), and (i) of line 29b.....			31	-38,742.
32 Total partnership and S corporation income or (loss). Combine lines 30 and 31. Enter the result here and include in the total on line 41 below.....			32	27,882.

Part II Income or Loss From Estates and Trusts

33	(a) Name	(b) Employer ID no.
A		
B		
Passive Income and Loss		Nonpassive Income and Loss
(c) Passive deduction or loss allowed (attach Form 8582 if required)	(d) Passive income from Schedule K-1	(e) Deduction or loss from Schedule K-1
A		
B		
34a Totals.....		
b Totals.....		
35 Add columns (d) and (f) of line 34a.....		35
36 Add columns (c) and (e) of line 34b.....		36
37 Total estate and trust income or (loss). Combine lines 35 and 36. Enter the result here and include in the total on line 41 below.....		37

Part IV Income or Loss From Real Estate Mortgage Investment Conduits (REMICs) — Residual Holder

38	(a) Name	(b) Employer identification number	(c) Excess inclusion from Schedules Q, line 2c (see instructions)	(d) Taxable income (net loss) from Schedules Q, line 1b	(e) Income from Schedules Q, line 3b
39 Combine columns (d) and (e) only. Enter the result here and include in the total on line 41 below.....					39

Summary

40 Net farm rental income or (loss) from Form 4835. Also, complete line 42 below.....	40	
41 Total income or (loss). Combine lines 26, 32, 37, 39, and 40. Enter the result here and on Form 1040, line 17, or Form 1040NR, line 18.....	41	-493.
42 Reconciliation of farming and fishing income. Enter your gross farming and fishing income reported on Form 4835, line 7; Schedule K-1 (Form 1065), box 14, code B; Schedule K-1 (Form 1120S), box 17, code U; and Schedule K-1 (Form 1041), line 14, code F (see instructions).....	42	
43 Reconciliation for real estate professionals. If you were a real estate professional (see instructions), enter the net income or (loss) you reported anywhere on Form 1040 or Form 1040NR from all rental real estate activities in which you materially participated under the passive activity loss rules.....	43	

2011

FEDERAL STATEMENTS

PAGE 1

CLIENT BAUGHA

ANDREW L. AND ABBIE M. BAUGH

10/11/12

07:27PM

STATEMENT 1
FORM 1040
WAGE SCHEDULE

<u>SPOUSE - EMPLOYER</u>	<u>WAGES</u>	<u>FEDERAL W/H</u>	<u>FICA</u>	<u>MEDI- CARE</u>	<u>STATE W/H</u>	<u>LOCAL W/H</u>
ALASKA WILDLIFE CONSERVATION CENTER	16,660.	1,101.	700.	242.		
GRAND TOTAL	<u>16,660.</u>	<u>1,101.</u>	<u>700.</u>	<u>242.</u>	<u>0.</u>	<u>0.</u>

STATEMENT 2
FORM 1040
IRA DISTRIBUTION SCHEDULE

<u>TAXPAYER - PAYER</u>	<u>TOTAL RECEIVED</u>	<u>TAXABLE AMOUNT</u>	<u>FEDERAL W/H</u>	<u>STATE W/H</u>
PRINCIPAL LIFE INSURANCE CO.	3,979.	3,979.		
GRAND TOTAL	<u>3,979.</u>	<u>3,979.</u>	<u>0.</u>	<u>0.</u>

STATEMENT 3
FORM 1040, LINE 21
OTHER INCOME

ALASKA PERMANENT FUND DIVIDENDS.....	\$	2,348.
INVESTMENT INTEREST CARRYOVER.....		-6,498.
TETON, LLC FORM 1099-MISC.....		3,644.
TOTAL	\$	<u>-506.</u>

STATEMENT 4
SCHEDULE A, LINE 14
INVESTMENT INTEREST

INVESTMENT INTEREST CARRYOVER.....	\$	21,528.
INVESTMENT INTEREST FROM K-1.....		5,725.
TOTAL	\$	<u>27,253.</u>

STATEMENT 5
SCHEDULE E, LINE 19 - 4300 ARCTIC
OTHER RENTAL AND ROYALTY EXPENSES

MISCELLANEOUS.....	\$	176.
SPACE RENTAL.....		4,180.
TOTAL	\$	<u>4,356.</u>

2011

FEDERAL STATEMENTS

PAGE 3

CLIENT BAUGHA

ANDREW L. AND ABBIE M. BAUGH

10/11/12

07:27PM

STATEMENT 10
SCHEDULE E, PAGE 2
PART II - INCOME OR LOSS FROM PARTNERSHIPS AND S CORPORATIONS

NAME	TYPE	X IF FOREIGN	EMPLOYER I.D. NO.	ANY INVEST. NOT AT RISK	PTP	PASSIVE LOSS FROM FORM 8582	PASSIVE INC. FROM SCH. K-1	NONPASSIVE LOSS FROM SCH. K-1	SECTION 179 DEDUCTION	NONPASSIVE INCOME FROM K-1
KAANDA LLC	P		92-0161254				\$ 37,656.			
KIONA, LLC	P		55-0857166			\$ 21,480.				
TETON, LLC	P		72-1589514				28,968.			
TETON, LLC - SEC 754 DEDUCTION	P		72-1589514			17,262.				
ALASKA SNOW SAFARIS, INC.	S		51-0430523							
TOTAL						\$ 38,742	\$ 66,624	\$ 0.	\$ 0.	\$ 0.

Exhibit No. 2005
Page 52 of 60

For the year Jan 1 - Dec 31, 2012, or other tax year beginning , 2012, ending , 20

Your first name and initial **ANDREW L. BAUGH** Last name **BAUGH** Your social security number [REDACTED]

If a joint return, spouse's first name and initial **ABBIE M. BAUGH** Last name **BAUGH** Spouse's social security number [REDACTED]

Home address (number and street). If you have a P.O. box, see instructions. **PO BOX 672** Apartment no. **▲ Make sure the SSN(s) above and on line 6c are correct.**

City, town or post office, state, and ZIP code. If you have a foreign address, also complete spaces below (see instructions).

GIRDWOOD, AK 99587

Foreign country name Foreign province/state/country Foreign postal code

GIRDWOOD, AK 99587

Foreign country name Foreign province/state/country Foreign postal code

Foreign country name Foreign province/state/country Foreign postal code

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Foreign country name Foreign province/state/country Foreign postal code

Filing Status 1 ☐ Single 4 ☐ Head of household (with qualifying person). (See instructions.) If the qualifying person is a child but not your dependent, enter this child's name here. 2 ☒ Married filing jointly (even if only one had income) 5 ☐ Qualifying widow(er) with dependent child 3 ☐ Married filing separately. Enter spouse's SSN above & full name here. ▶

Check only one box.

Exemptions 6a ☒ Yourself. If someone can claim you as a dependent, do not check box 6a. 6b ☒ Spouse. Boxes checked on 6a and 6b. No. of children on 6c who: 2

c Dependents: (1) First name Last name (2) Dependent's social security number (3) Dependent's relationship to you (4) ☒ If child under age 17 qualifying for child tax or (see instructions) 2

SLOANE A. BAUGH DAUGHTER ☒ 2

SHILOH BAUGH DAUGHTER ☒ 2

If more than four dependents, see instructions and check here. ▶ Add numbers on lines above. 4

d Total number of exemptions claimed. 4

Income 7 Wages, salaries, tips, etc. Attach Form(s) W-2. 7 35,154.

8a Taxable interest. Attach Schedule B if required. 8a 2,142.

b Tax-exempt interest. Do not include on line 8a. 8b

9a Ordinary dividends. Attach Schedule B if required. 9a 58.

b Qualified dividends. 9b 58.

10 Taxable refunds, credits, or offsets of state and local income taxes. 10

11 Alimony received. 11

12 Business income or (loss). Attach Schedule C or C-EZ. 12 55,929.

13 Capital gain or (loss). Att Sch D if reqd. If not reqd, ck here. 13 184,826.

14 Other gains or (losses). Attach Form 4797. 14

15a IRA distributions. 15a b Taxable amount. 15b 3,979.

16a Pensions and annuities. 16a b Taxable amount. 16b

17 Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E. 17 46,091.

18 Farm income or (loss). Attach Schedule F. 18

19 Unemployment compensation. 19

20a Social security benefits. 20a b Taxable amount. 20b

21 Other income. SEE STATEMENT 3. 21 41,756.

22 Combine the amounts in the far right column for lines 7 through 21. This is your total income. 22 369,935.

Adjusted Gross Income 23 Educator expenses. 23

24 Certain business expenses of reservists, performing artists, and fee-basis government officials. Attach Form 2106 or 2106-EZ. 24

25 Health savings account deduction. Attach Form 8889. 25

26 Moving expenses. Attach Form 3903. 26

27 Deductible part of self-employment tax. Attach Schedule SE. 27 6,776.

28 Self-employed SEP, SIMPLE, and qualified plans. 28

29 Self-employed health insurance deduction. 29 16,800.

30 Penalty on early withdrawal of savings. 30

31a Alimony paid b Recipient's SSN. 31a

32 IRA deduction. 32

33 Student loan interest deduction. 33

34 Tuition and fees. Attach Form 8917. 34

35 Domestic production activities deduction. Attach Form 8903. 35

36 Add lines 23 through 35. 36 23,576.

37 Subtract line 36 from line 22. This is your adjusted gross income. 37 346,359.

BAA For Disclosure, Privacy Act, and Paperwork Reduction Act Notice, see separate instructions. FDIA0112L 01/11/13 Form 1040 (2012)

Tax and Credits**Standard Deduction for —**

• People who check any box on line 39a or 39b or who can be claimed as a dependent, see instructions.

• All others:
Single or Married filing separately, \$5,950
Married filing jointly or Qualifying widow(er), \$11,900
Head of household, \$8,700

38	Amount from line 37 (adjusted gross income)	38	346,359.
39a	Check <input type="checkbox"/> You were born before January 2, 1948, <input type="checkbox"/> Blind. Total boxes checked <input type="checkbox"/> 39a		
	If: <input type="checkbox"/> Spouse was born before January 2, 1948, <input type="checkbox"/> Blind. <input type="checkbox"/> 39b		
b	If your spouse itemizes on a separate return or you were a dual-status alien, check here		
40	Itemized deductions (from Schedule A) or your standard deduction (see left margin)	40	40,594.
41	Subtract line 40 from line 38	41	305,765.
42	Exemptions. Multiply \$3,800 by the number on line 6d	42	15,200.
43	Taxable income. Subtract line 42 from line 41. If line 42 is more than line 41, enter -0-	43	290,565.
44	Tax (see instrs). Check if any from: a <input type="checkbox"/> Form(s) 8814 c <input type="checkbox"/> 962 election b <input type="checkbox"/> Form 4972	44	46,536.
45	Alternative minimum tax (see instructions). Attach Form 6251	45	6,714.
46	Add lines 44 and 45	46	53,250.
47	Foreign tax credit. Attach Form 1116 if required	47	
48	Credit for child and dependent care expenses. Attach Form 2441	48	
49	Education credits from Form 8863, line 19	49	
50	Retirement savings contributions credit. Attach Form 8880	50	
51	Child tax credit. Attach Schedule 8812, if required	51	
52	Residential energy credits. Attach Form 5695	52	
53	Other crs from Form: a <input type="checkbox"/> 3800 b <input type="checkbox"/> 8801 c <input type="checkbox"/>	53	
54	Add lines 47 through 53. These are your total credits	54	
55	Subtract line 54 from line 46. If line 54 is more than line 46, enter -0-	55	53,250.
56	Self-employment tax. Attach Schedule SE	56	11,782.
57	Unreported social security and Medicare tax from Form: a <input type="checkbox"/> 4137 b <input type="checkbox"/> 8919	57	
58	Additional tax on IRAs, other qualified retirement plans, etc. Attach Form 5329 if required	58	398.
59a	Household employment taxes from Schedule H	59a	
b	First-time homebuyer credit repayment. Attach Form 5405 if required	59b	
60	Other taxes. Enter code(s) from Instructions	60	
61	Add lines 55-60. This is your total tax	61	65,430.

Payments

If you have a qualifying child, attach Schedule EIC.

62	Federal income tax withheld from Forms W-2 and 1099	62	5,011.
63	2012 estimated tax payments and amount applied from 2011 return	63	12,334.
64a	Earned income credit (EIC)	64a	
b	Nontaxable combat pay election <input type="checkbox"/> 64b		
65	Additional child tax credit. Attach Schedule 8812	65	
66	American opportunity credit from Form 8863, line 8	66	
67	Reserved	67	
68	Amount paid with request for extension to file	68	5,000.
69	Excess social security and tier 1 RRTA tax withheld	69	
70	Credit for federal tax on fuels. Attach Form 4136	70	
71	Credits from Form: a <input type="checkbox"/> 2439 b <input type="checkbox"/> Reserved c <input type="checkbox"/> 8801 d <input type="checkbox"/> 8885	71	
72	Add lines 62, 63, 64a, & 65-71. These are your total pmts	72	22,345.

Refund

Direct deposit? See instructions.

73	If line 72 is more than line 61, subtract line 61 from line 72. This is the amount you overpaid	73	
74a	Amount of line 73 you want refunded to you. If Form 8888 is attached, check here <input type="checkbox"/> 74a		
b	Routing number <input type="checkbox"/> c Type: <input type="checkbox"/> Checking <input type="checkbox"/> Savings		
d	Account number <input type="checkbox"/>		
75	Amount of line 73 you want applied to your 2013 estimated tax	75	

Amount You Owe

76	Amount you owe. Subtract line 72 from line 61. For details on how to pay see instructions	76	43,093.
77	Estimated tax penalty (see instructions)	77	8.

Third Party Designee

Do you want to allow another person to discuss this return with the IRS (see instructions)? ☒ Yes. Complete below. ☐ No

Designee's name **MARK E. SCHNEITER** Phone no. **(907) 562-4242** Personal Identification number (PIN) **16685**

Sign Here

Joint return? See instructions.

Keep a copy for your records.

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Your signature	Date	Your occupation	Daytime phone number
Spouse's signature. If a joint return, both must sign.	Date	Spouse's occupation	If the IRS sent you an Identity Protection PIN, enter it here (see instrs)

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
MARK E. SCHNEITER		10/15/13		P00016685
Firm's name	Firm's address	Firm's EIN	Phone no.	
SCHNEITER COLE CPA'S, LLC	235 EAST 8TH AVE., STE. 3B ANCHORAGE, AK 99501	92-0133869	(907) 562-4242	

SEE STATEMENT 4

45,039.

Form 1040 (2012)

FDIA0112L 01/11/13

EXC. 719

Exhibit No. 2006
Page 14 of 59

SCHEDULE B
(Form 1040A or 1040)

Interest and Ordinary Dividends

OMB No. 1545-0074

2012

Attachment
Sequence No. **08**

Department of the Treasury
Internal Revenue Service (99)

► Attach to Form 1040A or 1040.
► Information about Schedule B (Form 1040A or 1040) and its instructions is at www.irs.gov/form1040

Name(s) shown on return

Your social security number

ANDREW L. AND ABBIE M. BAUGH

Part I
Interest

(See
instructions for
Form 1040A, or
Form 1040, line
8a.)

Note. If you received a Form 1099-INT, Form 1099-OID, or substitute statement from a brokerage firm, list the firm's name as the payer and enter the total interest shown on that form.

- 1** List name of payer. If any interest is from a seller-financed mortgage and the buyer used the property as a personal residence, see the instructions and list this interest first. Also, show that buyer's social security number and address ►

ANDREW L BAUGH IRREVOCABLE TRUST UA DTD
KAANDA LLC
KIONA, LLC
TETON, LLC

Amount

278.
1,856.
4.
4.

1

- 2** Add the amounts on line 1. **2** 2,142.
3 Excludable interest on series EE and I U.S. savings bonds issued after 1989. Attach Form 8815. **3**
4 Subtract line 3 from line 2. Enter the result here and on Form 1040A, or Form 1040, line 8a. **4** 2,142.

Note. If line 4 is over \$1,500, you must complete Part III.

Part II

Ordinary Dividends

(See
instructions for
Form 1040A, or
Form 1040,
line 9a.)

Note. If you received a Form 1099-DIV or substitute statement from a brokerage firm, list the firm's name as the payer and enter the ordinary dividends shown on that form.

- 5** List name of payer ►
NORDSTROM
WALT DISNEY

Amount

54.
4.

5

- 6** Add the amounts on line 5. Enter the total here and on Form 1040A, or Form 1040, line 9a. **6** 58.

Note. If line 6 is over \$1,500, you must complete Part III.

You must complete this part if you (a) had over \$1,500 of taxable interest or ordinary dividends; (b) had a foreign account; or (c) received a distribution from, or were a grantor of, or a transferor to, a foreign trust.

Part III
Foreign Accounts and Trusts

(See
instructions.)

- 7a** At any time during 2012, did you have a financial interest in or signature authority over a financial account (such as a bank account, securities account, or brokerage account) located in a foreign country? See instructions.

If 'Yes,' are you required to file Form TD F 90-22.1 to report that financial interest or signature authority? See Form TD F 90-22.1 and its instructions for filing requirements and exceptions to those requirements.

- b** If you are required to file Form TD F 90-22.1, enter the name of the foreign country where the financial account is located ►

- 8** During 2012, did you receive a distribution from, or were you the grantor of, or transferor to, a foreign trust? If 'Yes,' you may have to file Form 3520. See instructions.

Yes	No
	X
	X

SCHEDULE C
(Form 1040)

Profit or Loss From Business
(Sole Proprietorship)

OMB No. 1545-0074

2012

Department of the Treasury
Internal Revenue Service (99)

► For information on Schedule C and its instructions, go to www.irs.gov/schedulec.
► Attach to Form 1040, 1040NR, or 1041; partnerships generally must file Form 1065.

Attachment
Sequence No. **09**

Name of proprietor ANDREW L. BAUGH		Social security number (SSN) [REDACTED]
A Principal business or profession, including product or service (see instructions) STORAGE SPACE RENTALS		B Enter code from instructions ► 531100
C Business name. If no separate business name, leave blank. 76TH PARK & STORE, LLC		D Employer ID number (EIN), (see instrs) 26-3062509
E Business address (including suite or room no.) ► City, town or post office, state, and ZIP code		
F Accounting method: (1) <input checked="" type="checkbox"/> Cash (2) <input type="checkbox"/> Accrual (3) <input type="checkbox"/> Other (specify) ►		
G Did you 'materially participate' in the operation of this business during 2012? If 'No,' see instructions for limit on losses.		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
H If you started or acquired this business during 2012, check here		<input type="checkbox"/>
I Did you make any payments in 2012 that would require you to file Form(s) 1099? (see instructions).		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
J If 'Yes,' did you or will you file all required Forms 1099?		<input type="checkbox"/> Yes <input type="checkbox"/> No

Income

1 Gross receipts or sales. See instructions for line 1 and check the box if this income was reported to you on Form W-2 and the 'Statutory employee' box on that form was checked. ► <input type="checkbox"/>	1	114,088.
2 Returns and allowances (see instructions)	2	
3 Subtract line 2 from line 1	3	114,088.
4 Cost of goods sold (from line 42)	4	
5 Gross profit. Subtract line 4 from line 3	5	114,088.
6 Other income, including federal and state gasoline or fuel tax credit or refund (see instructions)	6	
7 Gross income. Add lines 5 and 6	7	114,088.

Part II Expenses. Enter expenses for business use of your home only on line 30.

8 Advertising	8		18 Office expense (see instructions)	18	55.
9 Car and truck expenses (see instructions)	9	6,660.	19 Pension and profit-sharing plans	19	
10 Commissions and fees	10		20 Rent or lease (see instructions):		
11 Contract labor (see instructions)	11	2,450.	a Vehicles, machinery, and equipment	20 a	675.
12 Depletion	12		b Other business property	20 b	
13 Depreciation and section 179 expense deduction (not included in Part III) (see instructions)	13	10,440.	21 Repairs and maintenance	21	7,673.
14 Employee benefit programs (other than on line 19)	14		22 Supplies (not included in Part III)	22	
15 Insurance (other than health)	15	1,010.	23 Taxes and licenses	23	
16 Interest:			24 Travel, meals, and entertainment:		
a Mortgage (paid to banks, etc)	16 a		a Travel	24 a	
b Other	16 b	11,656.	b Deductible meals and entertainment (see instructions)	24 b	234.
17 Legal & professional services	17	4,131.	25 Utilities	25	5,390.
			26 Wages (less employment credits)	26	
			27 a Other expenses (from line 48)	27 a	7,855.
			b Reserved for future use	27 b	
28 Total expenses before expenses for business use of home. Add lines 8 through 27a	28	58,229.			
29 Tentative profit or (loss). Subtract line 28 from line 7	29	55,859.			
30 Expenses for business use of your home. Attach Form 8829 . Do not report such expenses elsewhere.	30	7,830.			
31 Net profit or (loss). Subtract line 30 from line 29.					
• If a profit, enter on both Form 1040 , line 12 (or Form 1040NR , line 13) and on Schedule SE , line 2. If you checked the box on line 1, see instructions). Estates and trusts, enter on Form 1041 , line 3. • If a loss, you must go to line 32.		31	48,029.		

32 If you have a loss, check the box that describes your investment in this activity (see instructions).	
• If you checked 32a, enter the loss on both Form 1040 , line 12, (or Form 1040NR , line 13) and on Schedule SE , line 2. (If you checked the box on line 1, see the instructions for line 31). Estates and trusts, enter on Form 1041 , line 3. • If you checked 32b, you must attach Form 6198 . Your loss may be limited.	32 a <input type="checkbox"/> All investment is at risk. 32 b <input type="checkbox"/> Some investment is not at risk.

BAA For Paperwork Reduction Act Notice, see your tax return instructions.

Schedule C (Form 1040) 2012

FD-20112L 01/03/13

Cost of Goods Sold (see instructions)

33 Method(s) used to value closing inventory: a <input type="checkbox"/> Cost b <input type="checkbox"/> Lower of cost or market c <input type="checkbox"/> Other (attach explanation)	
34 Was there any change in determining quantities, costs, or valuations between opening and closing inventory? If 'Yes,' attach explanation	<input type="checkbox"/> Yes <input type="checkbox"/> No
35 Inventory at beginning of year. If different from last year's closing inventory, attach explanation	35
36 Purchases less cost of items withdrawn for personal use	36
37 Cost of labor. Do not include any amounts paid to yourself	37
38 Materials and supplies	38
39 Other costs	39
40 Add lines 35 through 39	40
41 Inventory at end of year	41
42 Cost of goods sold. Subtract line 41 from line 40. Enter the result here and on line 4	42

Part IV Information on Your Vehicle. Complete this part **only** if you are claiming car or truck expenses on line 9 and are not required to file Form 4562 for this business. See the instructions for line 13 to find out if you must file Form 4562.

43 When did you place your vehicle in service for business purposes? (month, day, year) ▶ _____

44 Of the total number of miles you drove your vehicle during 2012, enter the number of miles you used your vehicle for:

a Business _____ **b** Commuting (see instructions) _____ **c** Other _____

45 Was your vehicle available for personal use during off-duty hours? ☐ Yes ☐ No

46 Do you (or your spouse) have another vehicle available for personal use? ☐ Yes ☐ No

47 a Do you have evidence to support your deduction? ☐ Yes ☐ No

b If 'Yes,' is the evidence written? ☐ Yes ☐ No

Part V Other Expenses. List below business expenses not included on lines 8-26 or line 30.

ACCOUNTING	82.
BANK CHARGES	2,348.
COMPUTER, INTERNET	2,262.
LICENSE	293.
TELEPHONE	2,291.
TOOLS	213.
TRUCK EXPENSE	366.
48 Total other expenses. Enter here and on line 27a	48 7,855.

Schedule C (Form 1040) 2012

SCHEDULE C
(Form 1040)

Profit or Loss From Business
(Sole Proprietorship)

OMB No. 1545-0074

2012

Attachment
Sequence No. **09**

Department of the Treasury
Internal Revenue Service (99)

► For information on Schedule C and its instructions, go to www.irs.gov/schedulec.
► Attach to Form 1040, 1040NR, or 1041; partnerships generally must file Form 1065.

Name of proprietor ANDREW L. BAUGH		Social security number (SSN) [REDACTED]
A Principal business or profession, including product or service (see instructions) FILM-MAKING		B Enter code from instructions ► 713900
C Business name, if no separate business name, leave blank.		D Employer ID number (EIN), (see instrs)
E Business address (including suite or room no.) ► City, town or post office, state, and ZIP code		
F Accounting method: (1) <input checked="" type="checkbox"/> Cash (2) <input type="checkbox"/> Accrual (3) <input type="checkbox"/> Other (specify) ►		
G Did you 'materially participate' in the operation of this business during 2012? If 'No,' see instructions for limit on losses. <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
H If you started or acquired this business during 2012, check here <input type="checkbox"/>		
I Did you make any payments in 2012 that would require you to file Form(s) 1099? (see instructions) <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
J If 'Yes,' did you or will you file all required Forms 1099? <input type="checkbox"/> Yes <input type="checkbox"/> No		

Income

1 Gross receipts or sales. See instructions for line 1 and check the box if this income was reported to you on Form W-2 and the 'Statutory employee' box on that form was checked <input type="checkbox"/>	1	8,000.
2 Returns and allowances (see instructions)	2	
3 Subtract line 2 from line 1	3	8,000.
4 Cost of goods sold (from line 42)	4	
5 Gross profit. Subtract line 4 from line 3	5	8,000.
6 Other income, including federal and state gasoline or fuel tax credit or refund (see instructions)	6	
7 Gross income. Add lines 5 and 6	7	8,000.

Part III Expenses. Enter expenses for business use of your home only on line 30.

8 Advertising	8		18 Office expense (see instructions)	18	
9 Car and truck expenses (see instructions)	9		19 Pension and profit-sharing plans	19	
10 Commissions and fees	10		20 Rent or lease (see instructions):		
11 Contract labor (see instructions)	11		a Vehicles, machinery, and equipment	20 a	
12 Depletion	12		b Other business property	20 b	
13 Depreciation and section 179 expense deduction (not included in Part III) (see instructions)	13		21 Repairs and maintenance	21	
14 Employee benefit programs (other than on line 19)	14		22 Supplies (not included in Part III)	22	
15 Insurance (other than health)	15		23 Taxes and licenses	23	
16 Interest:			24 Travel, meals, and entertainment:		
a Mortgage (paid to banks, etc)	16 a		a Travel	24 a	
b Other	16 b		b Deductible meals and entertainment (see instructions)	24 b	
17 Legal & professional services	17	100.	25 Utilities	25	
			26 Wages (less employment credits)	26	
			27 a Other expenses (from line 48)	27 a	
			b Reserved for future use	27 b	
28 Total expenses before expenses for business use of home. Add lines 8 through 27a	28	100.			
29 Tentative profit or (loss). Subtract line 28 from line 7	29	7,900.			
30 Expenses for business use of your home. Attach Form 8829. Do not report such expenses elsewhere	30				
31 Net profit or (loss). Subtract line 30 from line 29.					
<ul style="list-style-type: none"> • If a profit, enter on both Form 1040, line 12 (or Form 1040NR, line 13) and on Schedule SE, line 2. If you checked the box on line 1, see instructions). Estates and trusts, enter on Form 1041, line 3. • If a loss, you must go to line 32. 					
32 If you have a loss, check the box that describes your investment in this activity (see instructions).					
<ul style="list-style-type: none"> • If you checked 32a, enter the loss on both Form 1040, line 12, (or Form 1040NR, line 13) and on Schedule SE, line 2. (If you checked the box on line 1, see the instructions for line 31). Estates and trusts, enter on Form 1041, line 3. • If you checked 32b, you must attach Form 6198. Your loss may be limited. 					
	31	7,900.	32 a <input type="checkbox"/> All investment is at risk.		
			32 b <input type="checkbox"/> Some investment is not at risk.		

BAA For Paperwork Reduction Act Notice, see your tax return instructions.

Schedule C (Form 1040) 2012

FDZ0112L 01/03/13

SCHEDULE E
(Form 1040)

Department of the Treasury
Internal Revenue Service (99)

Supplemental Income and Loss
(From rental real estate, royalties, partnerships,
S corporations, estates, trusts, REMICs, etc)
► Attach to Form 1040, 1040NR, or Form 1041.

► Information about Schedule E and its separate instructions is at www.irs.gov/form1040.

OMB No. 1545-0074

2012

Attachment
Sequence No. **13**

Name(s) shown on return

Your social security number

ANDREW L. AND ABBIE M. BAUGH

Part I Income or Loss From Rental Real Estate and Royalties Note. If you are in the business of renting personal property, use Schedule C or C-EZ (see instructions). If you are an individual, report farm rental income or loss from Form 4835 on page 2, line 40.

- A** Did you make any payments in 2012 that would require you to file Form(s) 1099? (see instructions) ☐ Yes ☒ No
B If 'Yes,' did you or will you file required Forms 1099? ☐ Yes ☐ No

1 a Physical address of each property (street, city, state, ZIP code)

A LAKE SAMMAMISH, LAKE SAMMAMISH, WA 98008
B 4300 ARCTIC #15, ANCHORAGE, AK 99503
C 4300 ARCTIC #10, ANCHORAGE, AK 99503

1 b Type of Property (from list below)	2 For each rental real estate property listed above, report the number of fair rental and personal use days. Check the QJV box only if you meet the requirements to file as a qualified joint venture. See instructions.	Fair Rental Days	Personal Use Days	QJV
A 1	A			
B 1	B			
C 1	C			

Type of Property:

- 1 Single Family Residence 3 Vacation/Short-Term Rental 5 Land 7 Self-Rental
2 Multi-Family Residence 4 Commercial 6 Royalties 8 Other (describe)

Income:	Properties:	A	B	C
3 Rents received	3		2,910.	850.
4 Royalties received	4			
Expenses:				
5 Advertising	5			
6 Auto and travel (see instructions)	6			
7 Cleaning and maintenance	7			
8 Commissions	8			
9 Insurance	9		203.	203.
10 Legal and other professional fees	10		150.	150.
11 Management fees	11			
12 Mortgage interest paid to banks, etc (see instructions)	12			
13 Other interest	13			
14 Repairs	14		822.	1,368.
15 Supplies	15			
16 Taxes	16		149.	243.
17 Utilities	17		814.	178.
18 Depreciation expense or depletion	18	509.	290.	4,518.
19 Other (list) ► SEE STM 8 SEE ST 9	19		5,229.	3,509.
20 Total expenses. Add lines 5 through 19	20	509.	7,657.	10,169.
21 Subtract line 20 from line 3 (rents) and/or 4 (royalties). If result is a (loss), see instructions to find out if you must file Form 6198	21	-509.	-4,747.	-9,319.
22 Deductible rental real estate loss after limitation, if any, on Form 8582 (see instructions)	22	-509.	-5,579.	-9,319.
23 a Total of all amounts reported on line 3 for all rental properties	23 a		26,310.	
b Total of all amounts reported on line 4 for all royalty properties	23 b			
c Total of all amounts reported on line 12 for all properties	23 c			
d Total of all amounts reported on line 18 for all properties	23 d		21,053.	
e Total of all amounts reported on line 20 for all properties	23 e		63,308.	
24 Income. Add positive amounts shown on line 21. Do not include any losses	24			
25 Losses. Add royalty losses from line 21 and rental real estate losses from line 22. Enter total losses here	25			-42,428.
26 Total rental real estate and royalty income or (loss). Combine lines 24 and 25. Enter the result here. If Parts II, III, IV, and line 40 on page 2 do not apply to you, also enter this amount on Form 1040, line 17, or Form 1040NR, line 18. Otherwise, include this amount in the total on line 41 on page 2	26			-42,428.

BAA For Paperwork Reduction Act Notice, see instructions.

FDX22301L 01/07/13

Schedule E (Form 1040) 2012

SCHEDULE E
(Form 1040)

Department of the Treasury
Internal Revenue Service (99)

Supplemental Income and Loss
(From rental real estate, royalties, partnerships,
S corporations, estates, trusts, REMICs, etc.)
▶ Attach to Form 1040, 1040NR, or Form 1041.

▶ Information about Schedule E and its separate instructions is at www.irs.gov/form1040.

OMB No. 1545-0074

2012

Attachment
Sequence No. **13**

Name(s) shown on return

ANDREW L. AND ABBIE M. BAUGH

Your social security number

Part I **Income or Loss From Rental Real Estate and Royalties** Note. If you are in the business of renting personal property, use Schedule C or C-EZ (see instructions). If you are an individual, report farm rental income or loss from Form 4835 on page 2, line 40.

- A** Did you make any payments in 2012 that would require you to file Form(s) 1099? (see instructions) ☐ Yes ☐ No
B If 'Yes,' did you or will you file required Forms 1099? ☐ Yes ☐ No

1a Physical address of each property (street, city, state, ZIP code)

A 4300 ARCTIC #11, ANCHORAGE, AK 99503

B 4300 ARCTIC #18, ANCHORAGE, AK 99503

C 4300 ARCTIC #25, ANCHORAGE, AK 99503

1b Type of Property (from list below)	2 For each rental real estate property listed above, report the number of fair rental and personal use days. Check the QJV box only if you meet the requirements to file as a qualified joint venture. See instructions.	Fair Rental Days	Personal Use Days	QJV
A 1	A			
B 1	B			
C 1	C			

Type of Property:

- 1 Single Family Residence 3 Vacation/Short-Term Rental 5 Land 7 Self-Rental
2 Multi-Family Residence 4 Commercial 6 Royalties 8 Other (describe)

Income:		Properties:	A	B	C
3 Rents received		3	5,600.	6,600.	10,350.
4 Royalties received		4			
Expenses:					
5 Advertising		5			
6 Auto and travel (see instructions)		6			
7 Cleaning and maintenance		7			
8 Commissions		8			
9 Insurance		9	203.	203.	203.
10 Legal and other professional fees		10	150.	150.	150.
11 Management fees		11			
12 Mortgage interest paid to banks, etc (see instructions)		12			
13 Other interest		13			
14 Repairs		14	1,472.	1,002.	822.
15 Supplies		15			
16 Taxes		16	149.	149.	149.
17 Utilities		17	1,784.	2,537.	2,256.
18 Depreciation expense or depletion		18	6,692.	5,429.	3,615.
19 Other (list) ▶ SEE STM 10 SEE STM 11 SEE ST 12		19	5,229.	4,849.	4,910.
20 Total expenses. Add lines 5 through 19		20	15,679.	14,319.	12,105.
21 Subtract line 20 from line 3 (rents) and/or 4 (royalties). If result is a loss, see instructions to find out if you must file Form 6198		21	-10,079.	-7,719.	-1,755.
22 Deductible rental real estate loss after limitation, if any, on Form 8582 (see instructions)		22	-11,326.	-9,349.	-3,476.
23a Total of all amounts reported on line 3 for all rental properties.		23a			
b Total of all amounts reported on line 4 for all royalty properties.		23b			
c Total of all amounts reported on line 12 for all properties.		23c			
d Total of all amounts reported on line 18 for all properties.		23d			
e Total of all amounts reported on line 20 for all properties.		23e			
24 Income. Add positive amounts shown on line 21. Do not include any losses		24			
25 Losses. Add royalty losses from line 21 and rental real estate losses from line 22. Enter total losses here.		25			
26 Total rental real estate and royalty income or (loss). Combine lines 24 and 25. Enter the result here. If Parts II, III, IV, and line 40 on page 2 do not apply to you, also enter this amount on Form 1040, line 17, or Form 1040NR, line 18. Otherwise, include this amount in the total on line 41 on page 2.		26			

BAA For Paperwork Reduction Act Notice, see instructions.

FDI22301L 01/07/13

Schedule E (Form 1040) 2012

SCHEDULE E
(Form 1040)

Department of the Treasury
Internal Revenue Service (99)

Supplemental Income and Loss
(From rental real estate, royalties, partnerships,
S corporations, estates, trusts, REMICs, etc)
► Attach to Form 1040, 1040NR, or Form 1041.

► Information about Schedule E and its separate instructions is at www.irs.gov/form1040.

OMB No. 1545-0074

2012

Attachment
Sequence No. **13**

Name(s) shown on return

ANDREW L. AND ABBIE M. BAUGH

Your social security number

Part I **Income or Loss From Rental Real Estate and Royalties** Note. If you are in the business of renting personal property, use Schedule C or C-EZ (see instructions). If you are an individual, report farm rental income or loss from Form 4835 on page 2, line 40.

- A** Did you make any payments in 2012 that would require you to file Form(s) 1099? (see instructions) ☐ Yes ☐ No
B If 'Yes,' did you or will you file required Forms 1099? ☐ Yes ☐ No

1 a Physical address of each property (street, city, state, ZIP code)

A **4300 ARCTIC #33, ANCHORAGE, AK 99503**

B
C

1 b Type of Property (from list below)	2 For each rental real estate property listed above, report the number of fair rental and personal use days. Check the QJV box only if you meet the requirements to file as a qualified joint venture. See instructions.	Fair Rental Days	Personal Use Days	QJV
A 1	A			
B	B			
C	C			

Type of Property:

- 1 Single Family Residence 3 Vacation/Short-Term Rental 5 Land 7 Self-Rental
2 Multi-Family Residence 4 Commercial 6 Royalties 8 Other (describe)

Income:		Properties:		A	B	C
3 Rents received		3				
4 Royalties received		4				
Expenses:						
5 Advertising		5				
6 Auto and travel (see instructions)		6				
7 Cleaning and maintenance		7				
8 Commissions		8				
9 Insurance		9	203.			
10 Legal and other professional fees		10				
11 Management fees		11				
12 Mortgage interest paid to banks, etc (see instructions)		12				
13 Other interest		13				
14 Repairs		14	822.			
15 Supplies		15				
16 Taxes		16	149.			
17 Utilities		17	178.			
18 Depreciation expense or depletion		18				
19 Other (list) ► <u>SEE STM 13</u>		19	1,518.			
20 Total expenses. Add lines 5 through 19		20	2,870.			
21 Subtract line 20 from line 3 (rents) and/or 4 (royalties). If result is a (loss), see instructions to find out if you must file Form 6198		21	-2,870.			
22 Deductible rental real estate loss after limitation, if any, on Form 8582 (see instructions)		22	-2,870.			
23 a Total of all amounts reported on line 3 for all rental properties		23 a				
b Total of all amounts reported on line 4 for all royalty properties		23 b				
c Total of all amounts reported on line 12 for all properties		23 c				
d Total of all amounts reported on line 18 for all properties		23 d				
e Total of all amounts reported on line 20 for all properties		23 e				
24 Income. Add positive amounts shown on line 21. Do not include any losses		24				
25 Losses. Add royalty losses from line 21 and rental real estate losses from line 22. Enter total losses here		25				
26 Total rental real estate and royalty income or (loss). Combine lines 24 and 25. Enter the result here. If Parts II, III, IV, and line 40 on page 2 do not apply to you, also enter this amount on Form 1040, line 17, or Form 1040NR, line 18. Otherwise, include this amount in the total on line 41 on page 2		26				

BAA For Paperwork Reduction Act Notice, see Instructions.

FDIZ2301L 01/07/13

Schedule E (Form 1040) 2012

Name(s) shown on return. Do not enter name and social security number if shown on Page 1.

Your social security number

ANDREW L. AND ABBIE M. BAUGH

Caution: The IRS compares amounts reported on your tax return with amounts shown on Schedule(s) K-1.

Income or Loss From Partnerships and S Corporations

Note. If you report a loss from an at-risk activity for which any amount is not at risk, you must check the box in column (e) on line 28 and attach Form 6198. See instructions.

- 27 Are you reporting any loss not allowed in a prior year due to the at-risk or basis limitations, a prior year unallowed loss from a passive activity (if that loss was not reported on Form 8582), or unreimbursed partnership expenses? ☐ Yes ☒ No
If you answered "Yes," see instructions before completing this section.

28	(a) Name	(b) Enter P for partnership; S for S corporation	(c) Check if foreign partnership	(d) Employer identification number	(e) Check if any amount is not at risk
A	SEE STATEMENT 14				
B					
C					
D					

Passive Income and Loss		Nonpassive Income and Loss		
(f) Passive loss allowed (attach Form 8582 if required)	(g) Passive income from Schedule K-1	(h) Nonpassive loss from Schedule K-1	(i) Section 179 expense deduction from Form 4562	(j) Nonpassive income from Schedule K-1
A				
B				
C				
D				
29 a Totals	116,093.			
b Totals	21,194.			
30 Add columns (g) and (j) of line 29a		30	116,093.	
31 Add columns (f), (h), and (i) of line 29b		31	-21,194.	
32 Total partnership and S corporation income or (loss). Combine lines 30 and 31. Enter the result here and include in the total on line 41 below		32	94,899.	

Part III Income or Loss From Estates and Trusts

33	(a) Name	(b) Employer ID no.
A	ANDREW L BAUGH IRREVOCABLE TRUST UA DTD	45-6826775
B		

Passive Income and Loss		Nonpassive Income and Loss	
(c) Passive deduction or loss allowed (attach Form 8582 if required)	(d) Passive income from Schedule K-1	(e) Deduction or loss from Schedule K-1	(f) Other income from Schedule K-1
A	6,380.		
B			
34 a Totals			
b Totals	6,380.		
35 Add columns (d) and (f) of line 34a		35	
36 Add columns (c) and (e) of line 34b		36	-6,380.
37 Total estate and trust income or (loss). Combine lines 35 and 36. Enter the result here and include in the total on line 41 below		37	-6,380.

Part IV Income or Loss From Real Estate Mortgage Investment Conduits (REMICs) – Residual Holder

38	(a) Name	(b) Employer identification number	(c) Excess inclusion from Schedules Q, line 2c (see instructions)	(d) Taxable income (net loss) from Schedules Q, line 1b	(e) Income from Schedules Q, line 3b
39	Combine columns (d) and (e) only. Enter the result here and include in the total on line 41 below				39

Part V Summary

40	Net farm rental income or (loss) from Form 4835. Also, complete line 42 below	40	
41	Total income or (loss). Combine lines 26, 32, 37, 39, and 40. Enter the result here and on Form 1040, line 17, or Form 1040NR, line 18	41	46,091.
42	Reconciliation of farming and fishing income. Enter your gross farming and fishing income reported on Form 4835, line 7; Schedule K-1 (Form 1065), box 14, code B; Schedule K-1 (Form 1120S), box 17, code U; and Schedule K-1 (Form 1041), box 14, code F (see instructions)	42	
43	Reconciliation for real estate professionals. If you were a real estate professional (see instructions), enter the net income or (loss) you reported anywhere on Form 1040 or Form 1040NR from all rental real estate activities in which you materially participated under the passive activity loss rules	43	

2012

FEDERAL STATEMENTS

PAGE 1

CLIENT BAUGHA

ANDREW L. AND ABBIE M. BAUGH

10/15/13

12:35PM

**STATEMENT 1
FORM 1040
WAGE SCHEDULE**

SPOUSE - EMPLOYER	WAGES	FEDERAL W/H	FICA	MEDI- CARE	STATE W/H	LOCAL W/H
ALASKA WILDLIFE CONSERVATION CENTER	35,154.	4,613.	1,476.	510.		
GRAND TOTAL	<u>35,154.</u>	<u>4,613.</u>	<u>1,476.</u>	<u>510.</u>	<u>0.</u>	<u>0.</u>

**STATEMENT 2
FORM 1040
IRA DISTRIBUTION SCHEDULE**

TAXPAYER - PAYER	TOTAL RECEIVED	TAXABLE AMOUNT	FEDERAL W/H	STATE W/H
PRINCIPAL LIFE INSURANCE CO.	3,979.	3,979.	398.	
GRAND TOTAL	<u>3,979.</u>	<u>3,979.</u>	<u>398.</u>	<u>0.</u>

**STATEMENT 3
FORM 1040, LINE 21
OTHER INCOME**

ALASKA PERMANENT FUND DIVIDENDS	\$	1,756.
TETON, LLC FORM 1099-MISC		40,000.
TOTAL	\$	<u>41,756.</u>

**STATEMENT 4
FORM 1040, PAGE 2
PENALTIES**

TAX DUE BEFORE PENALTIES	\$	43,093.
LATE PAYMENT		1,293.
INTEREST		653.
GRAND TOTAL TAX DUE	\$	<u>45,039.</u>

**STATEMENT 5
SCHEDULE A, LINE 1
MEDICAL AND DENTAL EXPENSES**

DOCTORS, DENTISTS, AND NURSES	\$	299.
TOTAL	\$	<u>299.</u>

2012

FEDERAL STATEMENTS

PAGE 4

CLIENT BAUGHA

ANDREW L. AND ABBIE M. BAUGH

10/15/13

12:35PM

STATEMENT 14
SCHEDULE E, PAGE 2

PART II - INCOME OR LOSS FROM PARTNERSHIPS AND S CORPORATIONS

NAME	TYPE	X IF FOREIGN	EMPLOYER I.D. NO.	ANY INVT. NOT AT RISK	PTP	PASSIVE LOSS FROM FORM 6582	PASSIVE INC. FROM SCH. K-1	NONPASSIVE LOSS FROM SCH. K-1	SECTION 179 DEDUCTION	NONPASSIVE INCOME FROM K-1
KAANDA LLC	P		92-0161254				\$ 42,517.			
KIONA, LLC	P		55-0857166			\$ 13,890.				
PYA: PASSIVE CARRYOVER	P		55-0857166			4,050.				
TETON, LLC	P		72-1589514				63,231.			
TETON, LLC - SEC 754 DEDUCTION	P		72-1589514							
PYA: PASSIVE CARRYOVER	P		72-1589514			3,254.				
DOUBLE D EQUIPMENT LLC	P		45-4849835				10,345.			
ALASKA SNOW SAFARIS, INC.	S		51-0430523							
TOTAL						\$ 21,194.	\$ 116,093.	\$ 0.	\$ 0.	\$ 0.

Exhibit No. 2006
Page 50 of 59

For the year Jan 1 - Dec 31, 2013, or other tax year beginning 2013, ending 2013, OMB No. 1545-0074 IRS Use Only — Do not write or staple in this space.

Your first name and initial **ANDREW L. BAUGH** Last name **BAUGH** Your social security number **[REDACTED]**

If a joint return, spouse's first name and initial **ABBIE M. BAUGH** Last name **BAUGH** Spouse's social security number **[REDACTED]**

Home address (number and street). If you have a P.O. box, see instructions. **PO BOX 672** Apartment no. **[REDACTED]** **▲ Make sure the SSN(s) above and on line 6c are correct.**

City, town or post office, state, and ZIP code. If you have a foreign address, also complete spaces below (see instructions). **GIRDWOOD, AK 99587**

Foreign country name **[REDACTED]** Foreign province/state/county **[REDACTED]** Foreign postal code **[REDACTED]** **Presidential Election Campaign** Check here if you, or your spouse if filing jointly, want \$3 to go to this fund? Checking a box below will not change your tax or refund. ☐ You ☐ Spouse

Filing Status 1 ☐ Single 4 ☐ Head of household (with qualifying person). (See instructions.) If the qualifying person is a child but not your dependent, enter this child's name here. **2** ☒ Married filing jointly (even if only one had income) 5 ☐ Qualifying widow(er) with dependent child 3 ☐ Married filing separately. Enter spouse's SSN above & full name here. **3**

Exemptions 6a ☒ Yourself. If someone can claim you as a dependent, do not check box 6a. 6b ☒ Spouse. **Boxes checked on 6a and 6b. No. of children on 6c who:** 2 **(1) First name Last name (2) Dependent's social security number (3) Dependent's relationship to you (4) If child under age 17, check box if qualifying for child tax credit (see instrs)** **● lived with you. 2 ● did not live with you due to divorce or separation (see instrs).** **Dependents on 6c not entered above. Add numbers on lines above. 4**
If more than four dependents, see instructions and check here ☐ **SLOANE A. BAUGH DAUGHTER X**
SHILOH BAUGH DAUGHTER X

Income 7 Wages, salaries, tips, etc. Attach Form(s) W-2. **7 6,850.**
8a Taxable interest. Attach Schedule B if required. **8a 664.**
b Tax-exempt interest. Do not include on line 8a. **8b**
9a Ordinary dividends. Attach Schedule B if required. **9a 72.**
b Qualified dividends. **9b 72.**
10 Taxable refunds, credits, or offsets of state and local income taxes. **10**
11 Alimony received. **11**
12 Business income or (loss). Attach Schedule C or C-EZ. **12 43,906.**
13 Capital gain or (loss). Att Sch D if reqd. If not reqd, ck here. **13 32,821.**
14 Other gains or (losses). Attach Form 4797. **14**
15a IRA distributions. **15a** b Taxable amount. **15b**
16a Pensions and annuities. **16a** b Taxable amount. **16b**
17 Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E. **17 78,378.**
18 Farm income or (loss). Attach Schedule F. **18**
19 Unemployment compensation. **19**
20a Social security benefits. **20a** b Taxable amount. **20b**
21 Other income **SEE STATEMENT 3** **21 6,300.**
22 Combine the amounts in the far right column for lines 7 through 21. This is your total income. **22 168,991.**

Adjusted Gross Income 23 Educator expenses. **23**
24 Certain business expenses of reservists, performing artists, and fee-basis government officials. Attach Form 2106 or 2106-EZ. **24**
25 Health savings account deduction. Attach Form 8889. **25**
26 Moving expenses. Attach Form 3903. **26**
27 Deductible part of self-employment tax. Attach Schedule SE. **27 3,102.**
28 Self-employed SEP, SIMPLE, and qualified plans. **28**
29 Self-employed health insurance deduction. **29 17,808.**
30 Penalty on early withdrawal of savings. **30**
31a Alimony paid b Recipient's SSN. **31a**
32 IRA deduction. **32**
33 Student loan interest deduction. **33**
34 Tuition and fees. Attach Form 8917. **34**
35 Domestic production activities deduction. Attach Form 8903. **35**
36 Add lines 23 through 35. **36 20,910.**
37 Subtract line 36 from line 22. This is your adjusted gross income. **37 148,081.**

Tax and Credits

38 Amount from line 37 (adjusted gross income) 38 148,081.

39 a Check ☐ You were born before January 2, 1949, ☐ Blind. Total boxes checked. ☐ 39 a

if: ☐ Spouse was born before January 2, 1949, ☐ Blind. ☐ 39 b

b If your spouse itemizes on a separate return or you were a dual-status alien, check here ☐ 39 b

Standard Deduction for -

• People who check any box on line 39a or 39b or who can be claimed as a dependent, see instructions.

• All others:

Single or Married filing separately, \$6,100

Married filing jointly or Qualifying widow(er), \$12,200

Head of household, \$8,950

40 Itemized deductions (from Schedule A) or your standard deduction (see left margin) 40 20,123.

41 Subtract line 40 from line 38 41 127,958.

42 Exemptions. If line 38 is \$150,000 or less, multiply \$3,900 by the number on line 6d. Otherwise, see instrs. 42 15,600.

43 Taxable income. Subtract line 42 from line 41. If line 42 is more than line 41, enter -0- 43 112,358.

44 Tax (see instrs). Check if any from: a ☐ Form(s) 8814 c ☐ 44 16,660.

b ☐ Form 4972. 45 0.

46 Add lines 44 and 45 46 16,660.

47 Foreign tax credit. Attach Form 1116 if required 47

48 Credit for child and dependent care expenses. Attach Form 2441 48

49 Education credits from Form 8863, line 19 49

50 Retirement savings contributions credit. Attach Form 8880 50

51 Child tax credit. Attach Schedule 8812, if required 51 50.

52 Residential energy credits. Attach Form 5695 52

53 Other crs from Form: a ☐ 3800 b ☒ 8801 c ☐ 53 2,800.

54 Add lines 47 through 53. These are your total credits 54 2,850.

55 Subtract line 54 from line 46. If line 54 is more than line 46, enter -0- 55 13,810.

Other Taxes

56 Self-employment tax. Attach Schedule SE 56 6,204.

57 Unreported social security and Medicare tax from Form: a ☐ 4137 b ☐ 8919 57

58 Additional tax on IRAs, other qualified retirement plans, etc. Attach Form 5329 if required 58

59 a Household employment taxes from Schedule H 59 a

b First-time homebuyer credit repayment. Attach Form 5405 if required 59 b

60 Taxes from: a ☐ Form 8959 b ☐ Form 8960 c ☐ Instrs; enter code(s) 60

61 Add lines 55-60. This is your total tax 61 20,014.

Payments

If you have a qualifying child, attach Schedule EIC.

62 Federal income tax withheld from Forms W-2 and 1099 62 276.

63 2013 estimated tax payments and amount applied from 2012 return 63

64 a Earned income credit (EIC) 64 a

b Nontaxable combat pay election ☐ 64 b

65 Additional child tax credit. Attach Schedule 8812 65

66 American opportunity credit from Form 8863, line 8 66

67 Reserved 67

68 Amount paid with request for extension to file 68

69 Excess social security and tier 1 RRTA tax withheld 69

70 Credit for federal tax on fuels. Attach Form 4136 70

71 Credits from Form: a ☐ 2439 b ☒ Reserved c ☐ 8885 d ☐ 71

72 Add lines 62, 63, 64a, & 65-71. These are your total pmts 72 276.

Refund

73 If line 72 is more than line 61, subtract line 61 from line 72. This is the amount you overpaid 73

74 a Amount of line 73 you want refunded to you. If Form 8888 is attached, check here ☐ 74 a

b Routing number ☐ c Type: ☐ Checking ☐ Savings

d Account number ☐

Direct deposit? See instructions.

75 Amount of line 73 you want applied to your 2014 estimated tax 75

Amount You Owe

76 Amount you owe. Subtract line 72 from line 61. For details on how to pay see instructions 76 20,092.

77 Estimated tax penalty (see instructions) 77 354.

Third Party Designee

Do you want to allow another person to discuss this return with the IRS (see instructions)? ☒ Yes. Complete below. ☐ No

Designee's name ☐ MARK E. SCHNEITER Phone no. ☐ (907) 562-4242 Personal identification number (PIN) ☐ 16685

Sign Here

Joint return? See instructions.

Keep a copy for your records.

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Your signature _____ Date _____ Your occupation **MANAGER** Daytime phone number _____

Spouse's signature. If a joint return, both must sign. _____ Date _____ Spouse's occupation **HOMEMAKER** If the IRS sent you an Identity Protection PIN, enter it here (see instrs) _____

Print/Type preparer's name _____ Preparer's signature **MARK E. SCHNEITER** Date **10/11/14** Check ☐ If self-employed PTIN **P00016685**

Paid Preparer Use Only

Firm's name ☐ **SCHNEITER COLE CPA'S, LLC** Firm's EIN ☐ **92-0133869**

Firm's address ☐ **235 EAST 8TH AVE., STE. 3B** Phone no. ☐ **(907) 562-4242**

ANCHORAGE, AK 99501

SEE STATEMENT 4

20,983.

Form 1040 (2013)

FDIA0112L 08/05/13

EXC. 783

Exhibit No. 2007
Page 19 of 56

SCHEDULE C
(Form 1040)

Profit or Loss From Business
(Sole Proprietorship)

OMB No. 1545-0074

2013

Attachment
Sequence No. **09**

Department of the Treasury
Internal Revenue Service (99)

► For information on Schedule C and its instructions, go to www.irs.gov/schedulec.
► Attach to Form 1040, 1040NR, or 1041; partnerships generally must file Form 1065.

Name of proprietor

ANDREW L. BAUGH

Social security number (SSN)

[REDACTED]

A Principal business or profession, including product or service (see instructions)

STORAGE SPACE RENTALS

B Enter code from instructions

► **531100**

C Business name, if no separate business name, leave blank.

76TH PARK & STORE, LLC

D Employer ID number (EIN), (see instrs)

26-3062509

E Business address (including suite or room no.) ►

City, town or post office, state, and ZIP code

F Accounting method: (1) ☒ Cash (2) ☐ Accrual (3) ☐ Other (specify) ►

G Did you 'materially participate' in the operation of this business during 2013? If 'No,' see instructions for limit on losses. ☒ Yes ☐ No

H If you started or acquired this business during 2013, check here ☐

I Did you make any payments in 2013 that would require you to file Form(s) 1099? (see instructions). ☐ Yes ☒ No

J If 'Yes,' did you or will you file all required Forms 1099? ☐ Yes ☐ No

Income

1 Gross receipts or sales. See instructions for line 1 and check the box if this income was reported to you on Form W-2 and the 'Statutory employee' box on that form was checked. <input type="checkbox"/>	1	117,510.
2 Returns and allowances	2	
3 Subtract line 2 from line 1	3	117,510.
4 Cost of goods sold (from line 42)	4	
5 Gross profit. Subtract line 4 from line 3	5	117,510.
6 Other income, including federal and state gasoline or fuel tax credit or refund (see instructions)	6	
7 Gross income. Add lines 5 and 6	7	117,510.

Expenses. Enter expenses for business use of your home only on line 30.

8 Advertising	8	400.	18 Office expense (see instructions)	18	
9 Car and truck expenses (see instructions)	9	6,013.	19 Pension and profit-sharing plans	19	
10 Commissions and fees	10		20 Rent or lease (see instructions):		
11 Contract labor (see instructions)	11		a Vehicles, machinery, and equipment	20a	
12 Depletion	12		b Other business property	20b	31,752.
13 Depreciation and section 179 expense deduction (not included in Part III) (see instructions)	13	6,766.	21 Repairs and maintenance	21	5,678.
14 Employee benefit programs (other than on line 19)	14		22 Supplies (not included in Part III)	22	
15 Insurance (other than health)	15		23 Taxes and licenses	23	
16 Interest:			24 Travel, meals, and entertainment:		
a Mortgage (paid to banks, etc.)	16a		a Travel	24a	
b Other	16b		b Deductible meals and entertainment (see instructions)	24b	
17 Legal & professional services	17	1,075.	25 Utilities	25	9,206.
28 Total expenses before expenses for business use of home. Add lines 8 through 27a	28		26 Wages (less employment credits)	26	
29 Tentative profit or (loss). Subtract line 28 from line 7	29	46,636.	27a Other expenses (from line 48)	27a	9,984.
30 Expenses for business use of your home. Do not report such expenses elsewhere. Attach Form 8829 unless using the simplified method (see instructions). Simplified method filers only: enter the total square footage of: (a) your home: _____ and (b) the part of your home used for business: _____. Use the Simplified Method Worksheet in the instructions to figure the amount to enter on line 30.	30	2,730.	27b Reserved for future use	27b	
31 Net profit or (loss). Subtract line 30 from line 29. • If a profit, enter on both Form 1040, line 12 (or Form 1040NR, line 13) and on Schedule SE, line 2 . If you checked the box on line 1, see instructions). Estates and trusts, enter on Form 1041, line 3 . • If a loss, you must go to line 32.	31	43,906.			

32 If you have a loss, check the box that describes your investment in this activity (see instructions).

• If you checked 32a, enter the loss on both **Form 1040, line 12**, (or **Form 1040NR, line 13**) and on **Schedule SE, line 2**. (If you checked the box on line 1, see the instructions for line 31). Estates and trusts, enter on **Form 1041, line 3**.

• If you checked 32b, you must attach **Form 6198**. Your loss may be limited.

32a ☐ All investment is at risk.

32b ☐ Some investment is not at risk.

Part III Cost of Goods Sold (see instructions)

33 Method(s) used to value closing inventory: a <input type="checkbox"/> Cost b <input type="checkbox"/> Lower of cost or market c <input type="checkbox"/> Other (attach explanation)	
34 Was there any change in determining quantities, costs, or valuations between opening and closing inventory? If 'Yes,' attach explanation	<input type="checkbox"/> Yes <input type="checkbox"/> No
35 Inventory at beginning of year. If different from last year's closing inventory, attach explanation	35
36 Purchases less cost of items withdrawn for personal use	36
37 Cost of labor. Do not include any amounts paid to yourself	37
38 Materials and supplies	38
39 Other costs	39
40 Add lines 35 through 39	40
41 Inventory at end of year	41
42 Cost of goods sold. Subtract line 41 from line 40. Enter the result here and on line 4.	42

Information on Your Vehicle. Complete this part **only** if you are claiming car or truck expenses on line 9 and are not required to file Form 4562 for this business. See the instructions for line 13 to find out if you must file Form 4562.

43 When did you place your vehicle in service for business purposes? (month, day, year) ▶ 7/01/09

44 Of the total number of miles you drove your vehicle during 2013, enter the number of miles you used your vehicle for:

a Business 10,643 **b** Commuting (see instructions) _____ **c** Other 3,547

45 Was your vehicle available for personal use during off-duty hours? ☐ Yes ☒ No

46 Do you (or your spouse) have another vehicle available for personal use? ☒ Yes ☐ No

47a Do you have evidence to support your deduction? ☒ Yes ☐ No

b If 'Yes,' is the evidence written? ☒ Yes ☐ No

Other Expenses. List below business expenses not included on lines 8-26 or line 30.

BANK CHARGES	2,226.
COMPUTER, INTERNET	2,666.
JANITORIAL	560.
TELEPHONE	4,532.
48 Total other expenses. Enter here and on line 27a	48 9,984.

Schedule C (Form 1040) 2013

SCHEDULE E
(Form 1040)

Department of the Treasury
Internal Revenue Service (99)

Supplemental Income and Loss

(From rental real estate, royalties, partnerships,
S corporations, estates, trusts, REMICs, etc)
▶ Attach to Form 1040, 1040NR, or Form 1041.

▶ Information about Schedule E and its separate instructions is at www.irs.gov/schedulee.

OMB No. 1545-0074

2013

Attachment
Sequence No. **13**

Name(s) shown on return

ANDREW L. AND ABBIE M. BAUGH

Your social security number

Part I Income or Loss From Rental Real Estate and Royalties Note. If you are in the business of renting personal property, use Schedule C or C-EZ (see instructions). If you are an individual, report farm rental income or loss from Form 4835 on page 2, line 40.

- A** Did you make any payments in 2013 that would require you to file Form(s) 1099? (see instructions) ☐ Yes ☒ No
B If 'Yes,' did you or will you file required Forms 1099? ☐ Yes ☐ No

1a	Physical address of each property (street, city, state, ZIP code)			
A	4300 ARCTIC #15, ANCHORAGE, AK 99503			
B	4300 ARCTIC #10, ANCHORAGE, AK 99503			
C	4300 ARCTIC #11, ANCHORAGE, AK 99503			
1b	Type of Property (from list below)	2 For each rental real estate property listed above, report the number of fair rental and personal use days. Check the QJV box only if you meet the requirements to file as a qualified joint venture. See instructions.	Fair Rental Days	Personal Use Days
A	1	A		
B	1	B		
C	1	C		

Type of Property:

- 1 Single Family Residence 3 Vacation/Short-Term Rental 5 Land 7 Self-Rental
2 Multi-Family Residence 4 Commercial 6 Royalties 8 Other (describe)

Income:	Properties:	A	B	C
3 Rents received	3	1,865.		950.
4 Royalties received	4			
Expenses:				
5 Advertising	5			
6 Auto and travel (see instructions)	6			
7 Cleaning and maintenance	7			
8 Commissions	8			
9 Insurance	9	310.		310.
10 Legal and other professional fees	10	528.	150.	528.
11 Management fees	11			
12 Mortgage interest paid to banks, etc (see instructions)	12			
13 Other interest	13			
14 Repairs	14			100.
15 Supplies	15			
16 Taxes	16	161.	161.	161.
17 Utilities	17	1,051.	183.	683.
18 Depreciation expense or depletion	18	257.	1,305.	4,778.
19 Other (list) ▶ SEE STM 7 SEE STM 8 SEE ST 9	19	4,746.	3,980.	4,746.
20 Total expenses. Add lines 5 through 19	20	7,053.	5,779.	11,306.
21 Subtract line 20 from line 3 (rents) and/or 4 (royalties). If result is a (loss), see instructions to find out if you must file Form 6198	21	-5,188.	-5,779.	-10,356.
22 Deductible rental real estate loss after limitation, if any, on Form 8582 (see instructions)	22	-5,188.	-5,779.	-10,356.
23a Total of all amounts reported on line 3 for all rental properties	23a	24,278.		
b Total of all amounts reported on line 4 for all royalty properties	23b			
c Total of all amounts reported on line 12 for all properties	23c			
d Total of all amounts reported on line 18 for all properties	23d	16,088.		
e Total of all amounts reported on line 20 for all properties	23e	55,633.		
24 Income. Add positive amounts shown on line 21. Do not include any losses	24			7,588.
25 Losses. Add royalty losses from line 21 and rental real estate losses from line 22. Enter total losses here	25			-38,943.
26 Total rental real estate and royalty income or (loss). Combine lines 24 and 25. Enter the result here. If Parts II, III, IV, and line 40 on page 2 do not apply to you, also enter this amount on Form 1040, line 17, or Form 1040NR, line 18. Otherwise, include this amount in the total on line 41 on page 2	26			-31,355.

BAA For Paperwork Reduction Act Notice, see the separate instructions.

FDI22301L 10/29/13

Schedule E (Form 1040) 2013

SCHEDULE E
(Form 1040)Department of the Treasury
Internal Revenue Service (99)**Supplemental Income and Loss**(From rental real estate, royalties, partnerships,
S corporations, estates, trusts, REMICs, etc)
▶ Attach to Form 1040, 1040NR, or Form 1041.▶ Information about Schedule E and its separate instructions is at www.irs.gov/schedulee.

OMB No. 1545-0074

2013Attachment
Sequence No. **13**

Name(s) shown on return

ANDREW L. AND ABBIE M. BAUGH

Your social security number

Part I **Income or Loss From Rental Real Estate and Royalties** Note. If you are in the business of renting personal property, use Schedule C or C-EZ (see instructions). If you are an individual, report farm rental income or loss from Form 4835 on page 2, line 40.

- A** Did you make any payments in 2013 that would require you to file Form(s) 1099? (see instructions) ☐ Yes ☐ No
- B** If 'Yes,' did you or will you file required Forms 1099? ☐ Yes ☐ No

1a Physical address of each property (street, city, state, ZIP code)**A** 4300 ARCTIC #18, ANCHORAGE, AK 99503**B** 4300 ARCTIC #25, ANCHORAGE, AK 99503**C** 4300 ARCTIC #33, ANCHORAGE, AK 99503

1b Type of Property (from list below)	2 For each rental real estate property listed above, report the number of fair rental and personal use days. Check the QJV box only if you meet the requirements to file as a qualified joint venture. See instructions.	Fair Rental Days			Personal Use Days			QJV		
		A	B	C	A	B	C	A	B	C
A 1										
B 1										
C 1										

Type of Property:

- 1 Single Family Residence 3 Vacation/Short-Term Rental 5 Land 7 Self-Rental
2 Multi-Family Residence 4 Commercial 6 Royalties 8 Other (describe)

Income:	Properties:	A	B	C
3 Rents received	3	5,100.	16,363.	
4 Royalties received	4			
Expenses:				
5 Advertising	5			
6 Auto and travel (see instructions)	6			
7 Cleaning and maintenance	7			
8 Commissions	8			
9 Insurance	9	310.	310.	
10 Legal and other professional fees	10	528.	553.	150.
11 Management fees	11			
12 Mortgage interest paid to banks, etc (see instructions)	12			
13 Other interest	13			
14 Repairs	14		240.	1,274.
15 Supplies	15			
16 Taxes	16	161.	161.	161.
17 Utilities	17	1,743.	183.	2,161.
18 Depreciation expense or depletion	18	3,877.	2,582.	3,289.
19 Other (list) ▶ SEE STM 10 SEE STM 11 SEE ST 12	19	4,746.	4,746.	4,320.
20 Total expenses. Add lines 5 through 19	20	11,365.	8,775.	11,355.
21 Subtract line 20 from line 3 (rents) and/or 4 (royalties). If result is a (loss), see instructions to find out if you must file Form 6198.	21	-6,265.	7,588.	-11,355.
22 Deductible rental real estate loss after limitation, if any, on Form 8582 (see instructions)	22	-6,265.		-11,355.
23a Total of all amounts reported on line 3 for all rental properties	23a			
b Total of all amounts reported on line 4 for all royalty properties	23b			
c Total of all amounts reported on line 12 for all properties	23c			
d Total of all amounts reported on line 18 for all properties	23d			
e Total of all amounts reported on line 20 for all properties	23e			
24 Income. Add positive amounts shown on line 21. Do not include any losses	24			
25 Losses. Add royalty losses from line 21 and rental real estate losses from line 22. Enter total losses here...	25			
26 Total rental real estate and royalty income or (loss). Combine lines 24 and 25. Enter the result here. If Parts II, III, IV, and line 40 on page 2 do not apply to you, also enter this amount on Form 1040, line 17, or Form 1040NR, line 18. Otherwise, include this amount in the total on line 41 on page 2.	26			

BAA For Paperwork Reduction Act Notice, see the separate instructions.

FDIZ2301L 10/29/13

Schedule E (Form 1040) 2013

Name(s) shown on return. Do not enter name and social security number if shown on Page 1.

Your social security number

ANDREW L. AND ABBIE M. BAUGH

Caution: The IRS compares amounts reported on your tax return with amounts shown on Schedule(s) K-1.

Part II Income or Loss From Partnerships and S Corporations

Note. If you report a loss from an at-risk activity for which any amount is not at risk, you must check the box in column (e) on line 28 and attach Form 6198. See instructions.

- 27 Are you reporting any loss not allowed in a prior year due to the at-risk, excess farm loss, or basis limitations, a prior year unallowed loss from a passive activity (if that loss was not reported on Form 8582), or unreimbursed partnership expenses? If you answered 'Yes,' see instructions before completing this section. ☐ Yes ☒ No

28	(a) Name	(b) Enter P for partnership; S for S corporation	(c) Check if foreign partnership	(d) Employer identification number	(e) Check if any amount is not at risk
A	SEE STATEMENT 13				
B					
C					
D					

Passive Income and Loss**Nonpassive Income and Loss**

	(f) Passive loss allowed (attach Form 8582 if required)	(g) Passive income from Schedule K-1	(h) Nonpassive loss from Schedule K-1	(i) Section 179 expense deduction from Form 4562	(j) Nonpassive income from Schedule K-1
A					
B					
C					
D					
29a Totals		128,974.			
b Totals	18,238.				
30 Add columns (g) and (i) of line 29a				30	128,974.
31 Add columns (f), (h), and (j) of line 29b				31	-18,238.
32 Total partnership and S corporation income or (loss). Combine lines 30 and 31. Enter the result here and include in the total on line 41 below				32	110,736.

Part III Income or Loss From Estates and Trusts

33	(a) Name	(b) Employer ID no.
A	ANDREW L BAUGH IRREVOCABLE TRUST UA DTD	45-6826775
B		

Passive Income and Loss**Nonpassive Income and Loss**

	(c) Passive deduction or loss allowed (attach Form 8582 if required)	(d) Passive income from Schedule K-1	(e) Deduction or loss from Schedule K-1	(f) Other income from Schedule K-1
A	1,003.			
B				
34a Totals				
b Totals	1,003.			
35 Add columns (d) and (f) of line 34a			35	
36 Add columns (c) and (e) of line 34b			36	-1,003.
37 Total estate and trust income or (loss). Combine lines 35 and 36. Enter the result here and include in the total on line 41 below			37	-1,003.

Part IV Income or Loss From Real Estate Mortgage Investment Conduits (REMICs) – Residual Holder

38	(a) Name	(b) Employer identification number	(c) Excess inclusion from Schedules Q, line 2c (see instructions)	(d) Taxable income (net loss) from Schedules Q, line 1b	(e) Income from Schedules Q, line 3b
39	Combine columns (d) and (e) only. Enter the result here and include in the total on line 41 below				39

Summary

40	Net farm rental income or (loss) from Form 4835. Also, complete line 42 below	40	
41	Total income or (loss). Combine lines 26, 32, 37, 39, and 40. Enter the result here and on Form 1040, line 17, or Form 1040NR, line 18	41	78,378.
42	Reconciliation of farming and fishing income. Enter your gross farming and fishing income reported on Form 4835, line 7; Schedule K-1 (Form 1065), box 14, code B; Schedule K-1 (Form 1120S), box 17, code V; and Schedule K-1 (Form 1041), box 14, code F (see instructions)	42	
43	Reconciliation for real estate professionals. If you were a real estate professional (see instructions), enter the net income or (loss) you reported anywhere on Form 1040 or Form 1040NR from all rental real estate activities in which you materially participated under the passive activity loss rules	43	

BAA

FDI22302L 08/30/13

Schedule E (Form 1040) 2013

EXC. 791

Exhibit No. 2007
Page 27 of 56

2013

FEDERAL STATEMENTS

PAGE 1

CLIENT BAUGHA

ANDREW L. AND ABBIE M. BAUGH

10/11/14

05:16PM

**STATEMENT 1
FORM 1040
WAGE SCHEDULE**

TAXPAYER - EMPLOYER	WAGES	FEDERAL W/H	FICA	MEDI- CARE	STATE W/H	LOCAL W/H
FRONTIER FILMS LLC	6,850.	276.	425.	99.		
GRAND TOTAL	6,850.	276.	425.	99.	0.	0.

**STATEMENT 2
FORM 1040
IRA DISTRIBUTION SCHEDULE**

TAXPAYER - PAYER	TOTAL RECEIVED	TAXABLE AMOUNT	FEDERAL W/H	STATE W/H
PRINCIPAL LIFE INSURANCE CO.		0.		
GRAND TOTAL	0.	0.	0.	0.

**STATEMENT 3
FORM 1040, LINE 21
OTHER INCOME**

ALASKA HOUSING FINANCE CORP.....	\$	4,500.
ALASKA PERMANENT FUND DIVIDENDS.....		1,800.
TOTAL	\$	6,300.

**STATEMENT 4
FORM 1040, PAGE 2
PENALTIES**

TAX DUE BEFORE PENALTIES.....	\$	20,092.
LATE PAYMENT.....		592.
INTEREST.....		299.
GRAND TOTAL TAX DUE	\$	20,983.

**STATEMENT 5
SCHEDULE A, LINE 10
HOME MORTGAGE INTEREST REPORTED ON FORM 1098**

HOME OFFICE NONBUSINESS ALLOCATION.....	\$	2,496.
TOTAL	\$	2,496.

2013

FEDERAL STATEMENTS

PAGE 4

CLIENT BAUGHA

ANDREW L. AND ABBIE M. BAUGH

10/11/14

05:16PM

STATEMENT 13
SCHEDULE E, PAGE 2
PART II - INCOME OR LOSS FROM PARTNERSHIPS AND S CORPORATIONS

NAME	TYPE	X IF FOREIGN	EMPLOYER I.D. NO.	ANY INVT. NOT AT RISK	PTP	PASSIVE LOSS FROM FORM 8582	PASSIVE INC. FROM SCH. K-1	NONPASSIVE LOSS FROM SCH. K-1	SECTION 179 DEDUCTION	NONPASSIVE INCOME FROM K-1
KAANDA LLC	P		92-0161254				\$ 46,886.			
KIONA, LLC	P		55-0857165			\$ 16,581.				
TETON, LLC	P		72-1589514				82,013.			
	P		72-1589514				75.			
TETON, LLC - SEC 754 DEDUCTION	P		72-1589514							
DOUBLE D EQUIPMENT LLC	P		45-4849835			1,657.				
ALASKA SNOW SAFARIS, INC.	S		51-0430523							
TOTAL						\$ 18,238.	\$ 128,974.	\$ 0.	\$ 0.	\$ 0.

Exhibit No. 2007
Page 49 of 56

Form **1040** Department of the Treasury — Internal Revenue Service (99) **U.S. Individual Income Tax Return** **2014** OMB No. 1545-0074 IRS Use Only — Do not write or staple in this space.

For the year Jan 1 - Dec 31, 2014, or other tax year beginning 2014, ending 20, See separate instructions.

Your first name and initial Last name Your social security number

ANDREW L. BAUGH

If a joint return, spouse's first name and initial Last name Spouse's social security number

ABBIE M. BAUGH

Home address (number and street), if you have a P.O. box, see instructions. Apartment no. Make sure the SSN(s) above and on line 6c are correct.

PO BOX 672

City, town or post office, state, and ZIP code. If you have a foreign address, also complete spaces below (see instructions).

GIRDWOOD, AK 99587

Foreign country name Foreign province/state/country Foreign postal code

Check here if you, or your spouse if filing jointly, want \$3 to go to this fund. Checking a box below will not change your tax or refund. You Spouse

Filing Status 1 ☐ Single 4 ☐ Head of household (with qualifying person). (See instructions.) If the qualifying person is a child but not your dependent, enter this child's name here. 5 ☐ Qualifying widow(er) with dependent child

2 ☒ Married filing jointly (even if only one had income)

3 ☐ Married filing separately. Enter spouse's SSN above & full name here.

Check only one box.

Exemptions 6a ☒ Yourself. If someone can claim you as a dependent, do not check box 6a. 2

b ☒ Spouse. No. of children on 6c who:

c Dependents: (1) First name Last name (2) Dependent's social security number (3) Dependent's relationship to you (4) ☒ If child under age 17 qualifying for child tax or (see instrs) 2

SLOANE A. BAUGH DAUGHTER

SHILOH BAUGH DAUGHTER

If more than four dependents, see instructions and check here. Dependents on 6c not entered above Add numbers on lines above 4

d Total number of exemptions claimed. 4

Income 7 Wages, salaries, tips, etc. Attach Form(s) W-2. 7 66,776.

8a Taxable interest. Attach Schedule B if required. 8a 31.

b Tax-exempt interest. Do not include on line 8a. 8b

9a Ordinary dividends. Attach Schedule B if required. 9a 66.

b Qualified dividends. 9b 66.

10 Taxable refunds, credits, or offsets of state and local income taxes. 10

11 Alimony received. 11

12 Business income or (loss). Attach Schedule C or C-EZ. 12 60,620.

13 Capital gain or (loss). Att Sch D if reqd. If not reqd, ck here. 13 10,418.

14 Other gains or (losses). Attach Form 4797. 14

15a IRA distributions. 15a b Taxable amount. 15b

16a Pensions and annuities. 16a b Taxable amount. 16b

17 Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E. 17 48,041.

18 Farm income or (loss). Attach Schedule F. 18

19 Unemployment compensation. 19

20a Social security benefits. 20a b Taxable amount. 20b

21 Other income ALASKA PERMANENT FUND DIVIDENDS 21 3,768.

22 Combine the amounts in the far right column for lines 7 through 21. This is your total income. 22 189,720.

Adjusted Gross Income 23 Educator expenses. 23

24 Certain business expenses of reservists, performing artists, and fee-basis government officials. Attach Form 2106 or 2106-EZ. 24

25 Health savings account deduction. Attach Form 8889. 25

26 Moving expenses. Attach Form 3903. 26

27 Deductible part of self-employment tax. Attach Schedule SE. 27 4,283.

28 Self-employed SEP, SIMPLE, and qualified plans. 28

29 Self-employed health insurance deduction. 29 17,875.

30 Penalty on early withdrawal of savings. 30

31a Alimony paid b Recipient's SSN. 31a

32 IRA deduction. 32

33 Student loan interest deduction. 33

34 Tuition and fees. Attach Form 8917. 34

35 Domestic production activities deduction. Attach Form 8903. 35

36 Add lines 23 through 35. 36 22,158.

37 Subtract line 36 from line 22. This is your adjusted gross income. 37 167,562.

BAA For Disclosure, Privacy Act, and Paperwork Reduction Act Notice, see separate instructions. FDIA0112L 12/29/14 Form 1040 (2014)

38 Amount from line 37 (adjusted gross income).....		38	167,562.
Tax and Credits			
39a Check <input type="checkbox"/> You were born before January 2, 1950, <input type="checkbox"/> Blind. <input type="checkbox"/> Total boxes checked ▶ 39a <input type="checkbox"/> if: <input type="checkbox"/> Spouse was born before January 2, 1950, <input type="checkbox"/> Blind.			
b If your spouse itemizes on a separate return or you were a dual-status alien, check here..... ▶ 39b <input type="checkbox"/>			
40 Itemized deductions (from Schedule A) or your standard deduction (see left margin).....		40	23,068.
41 Subtract line 40 from line 38.....		41	144,494.
42 Exemptions. If line 38 is \$152,525 or less, multiply \$3,950 by the number on line 6d. Otherwise, see instrs.....		42	15,800.
43 Taxable income. Subtract line 42 from line 41. If line 42 is more than line 41, enter -0-.....		43	128,694.
44 Tax (see instrs). Check if any from: a <input checked="" type="checkbox"/> Form(s) 8814 c <input type="checkbox"/> b <input type="checkbox"/> Form 4972.....		44	23,316.
45 Alternative minimum tax (see instructions). Attach Form 6251.....		45	0.
46 Excess advance premium tax credit repayment. Attach Form 8962.....		46	
47 Add lines 44, 45 and 46.....		47	23,316.
48 Foreign tax credit. Attach Form 1116 if required.....		48	
49 Credit for child and dependent care expenses. Attach Form 2441.....		49	
50 Education credits from Form 8863, line 19.....		50	
51 Retirement savings contributions credit. Attach Form 8880.....		51	
52 Child tax credit. Attach Schedule 8812, if required.....		52	
53 Residential energy credits. Attach Form 5695.....		53	
54 Other crs from Form: a <input type="checkbox"/> 3800 b <input type="checkbox"/> 8801 c <input type="checkbox"/>		54	
55 Add lines 48 through 54. These are your total credits		55	
56 Subtract line 55 from line 47. If line 55 is more than line 47, enter -0-.....		56	23,316.
57 Self-employment tax. Attach Schedule SE.....		57	8,565.
58 Unreported social security and Medicare tax from Form: a <input type="checkbox"/> 4137 b <input type="checkbox"/> 8919.....		58	
59 Additional tax on IRAs, other qualified retirement plans, etc. Attach Form 5329 if required.....		59	
60a Household employment taxes from Schedule H.....		60a	
b First-time homebuyer credit repayment. Attach Form 5405 if required.....		60b	
61 Health care; individual responsibility (see instructions) Full-year coverage <input checked="" type="checkbox"/>		61	
62 Taxes from: a <input type="checkbox"/> Form 8959 b <input type="checkbox"/> Form 8960 c <input type="checkbox"/> Instrs; enter code(s).....		62	
63 Add lines 56-62. This is your total tax		63	31,881.
Payments			
64 Federal income tax withheld from Forms W-2 and 1099.....		64	6,687.
65 2014 estimated tax payments and amount applied from 2013 return.....		65	
66a Earned income credit (EIC).....		66a	
b Nontaxable combat pay election..... ▶ 66b <input type="checkbox"/>		66b	
67 Additional child tax credit. Attach Schedule 8812.....		67	
68 American opportunity credit from Form 8863, line 8.....		68	
69 Net premium tax credit. Attach Form 8962.....		69	
70 Amount paid with request for extension to file.....		70	
71 Excess social security and tier 1 RRTA tax withheld.....		71	
72 Credit for federal tax on fuels. Attach Form 4136.....		72	
73 Credits from Form: a <input type="checkbox"/> 2439 b <input type="checkbox"/> Reserved c <input type="checkbox"/> Reserved d <input type="checkbox"/>		73	
74 Add lines 64, 65, 66a, & 67-73. These are your total pmts		74	6,687.
75 If line 74 is more than line 63, subtract line 63 from line 74. This is the amount you overpaid		75	
76a Amount of line 75 you want refunded to you . If Form 8888 is attached, check here. ▶ <input type="checkbox"/>		76a	
b Routing number..... ▶ c Type: <input type="checkbox"/> Checking <input type="checkbox"/> Savings			
d Account number.....			
77 Amount of line 75 you want applied to your 2015 estimated tax		77	
78 Amount you owe. Subtract line 74 from line 63. For details on how to pay, see instructions.....		78	25,460.
79 Estimated tax penalty (see instructions).....		79	266.
Refund			
76a Amount of line 75 you want refunded to you . If Form 8888 is attached, check here. ▶ <input type="checkbox"/>		76a	
b Routing number..... ▶ c Type: <input type="checkbox"/> Checking <input type="checkbox"/> Savings			
d Account number.....			
77 Amount of line 75 you want applied to your 2015 estimated tax		77	
78 Amount you owe. Subtract line 74 from line 63. For details on how to pay, see instructions.....		78	25,460.
79 Estimated tax penalty (see instructions).....		79	266.
Amount You Owe			
Third Party Designee			
Do you want to allow another person to discuss this return with the IRS (see instructions)? <input checked="" type="checkbox"/> Yes. Complete below. <input type="checkbox"/> No			
Designee's name ▶ MARK E. SCHNEITER		Phone no. ▶ (907) 562-4242	Personal identification number (PIN) ▶ 16685
Sign Here			
Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.			
Your signature.....		Date.....	Your occupation..... MANAGER
Spouse's signature. If a joint return, both must sign.....		Date.....	Spouse's occupation..... HOMEMAKER
			If the IRS sent you an Identity Protection PIN, enter it here (see instrs)
Print/Type preparer's name.....		Preparer's signature.....	Date.....
MARK E. SCHNEITER			10/05/15
Firm's name ▶ SCHNEITER COLE CPA'S, LLC		Check <input type="checkbox"/> if self-employed	PTIN P00016685
Firm's address ▶ 235 EAST 8TH AVE., STE. 3B		Firm's EIN ▶ 92-0133869	
ANCHORAGE, AK 99501		Phone no. (907) 562-4242	

SCHEDULE C
(Form 1040)

Profit or Loss From Business
(Sole Proprietorship)

OMB No. 1545-0074

2014

Attachment
Sequence No. **09**

Department of the Treasury
Internal Revenue Service (99)

► Information about Schedule C and its separate instructions is at www.irs.gov/schedulec.
► Attach to Form 1040, 1040NR, or 1041; partnerships generally must file Form 1065.

Name of proprietor ANDREW L. BAUGH		Social security number (SSN) [REDACTED]
A Principal business or profession, including product or service (see instructions) STORAGE SPACE RENTALS		B Enter code from instructions ► 531100
C Business name. If no separate business name, leave blank. 76TH PARK & STORE, LLC		D Employer ID number (EIN), (see instrs) 26-3062509
E Business address (including suite or room no.) ► City, town or post office, state, and ZIP code		
F Accounting method: (1) <input checked="" type="checkbox"/> Cash (2) <input type="checkbox"/> Accrual (3) <input type="checkbox"/> Other (specify) ►		
G Did you 'materially participate' in the operation of this business during 2014? If 'No,' see instructions for limit on losses. <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
H If you started or acquired this business during 2014, check here <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
I Did you make any payments in 2014 that would require you to file Form(s) 1099? (see instructions). <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
J If 'Yes,' did you or will you file required Forms 1099? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		

Income

1 Gross receipts or sales. See instructions for line 1 and check the box if this income was reported to you on Form W-2 and the 'Statutory employee' box on that form was checked. <input type="checkbox"/>	1	114,465.
2 Returns and allowances	2	
3 Subtract line 2 from line 1	3	114,465.
4 Cost of goods sold (from line 42)	4	
5 Gross profit. Subtract line 4 from line 3	5	114,465.
6 Other income, including federal and state gasoline or fuel tax credit or refund (see instructions)	6	
7 Gross income. Add lines 5 and 6	7	114,465.

Expenses. Enter expenses for business use of your home **only** on line 30.

8 Advertising	8	1,400.	18 Office expense (see instructions)	18	104.
9 Car and truck expenses (see instructions)	9	56.	19 Pension and profit-sharing plans	19	
10 Commissions and fees	10		20 Rent or lease (see instructions):		
11 Contract labor (see instructions)	11		a Vehicles, machinery, and equipment	20 a	
12 Depletion	12		b Other business property	20 b	
13 Depreciation and section 179 expense deduction (not included in Part III) (see instructions)	13	17,675.	21 Repairs and maintenance	21	3,823.
14 Employee benefit programs (other than on line 19)	14		22 Supplies (not included in Part III)	22	
15 Insurance (other than health)	15	216.	23 Taxes and licenses	23	31,752.
16 Interest:			24 Travel, meals, and entertainment:		
a Mortgage (paid to banks, etc.)	16 a		a Travel	24 a	20.
b Other	16 b	6,404.	b Deductible meals and entertainment (see instructions)	24 b	
17 Legal & professional services	17	3,414.	25 Utilities	25	10,381.
			26 Wages (less employment credits)	26	
			27 a Other expenses (from line 48)	27 a	8,980.
			b Reserved for future use	27 b	
28 Total expenses before expenses for business use of home. Add lines 8 through 27a	28	84,225.			
29 Tentative profit or (loss). Subtract line 28 from line 7	29	30,240.			
30 Expenses for business use of your home. Do not report these expenses elsewhere. Attach Form 8829 unless using the simplified method (see instructions). Simplified method filers only: enter the total square footage of: (a) your home: _____ and (b) the part of your home used for business: _____. Use the Simplified Method Worksheet in the instructions to figure the amount to enter on line 30.	30	3,368.			
31 Net profit or (loss). Subtract line 30 from line 29. • If a profit, enter on both Form 1040, line 12 (or Form 1040NR, line 13) and on Schedule SE, line 2 . (If you checked the box on line 1, see instructions). Estates and trusts, enter on Form 1041, line 3 . • If a loss, you must go to line 32.	31	26,872.			
32 If you have a loss, check the box that describes your investment in this activity (see instructions). • If you checked 32a, enter the loss on both Form 1040, line 12 , (or Form 1040NR, line 13) and on Schedule SE, line 2 . (If you checked the box on line 1, see the line 31 instructions). Estates and trusts, enter on Form 1041, line 3 . • If you checked 32b, you must attach Form 6198 . Your loss may be limited.	32 a	<input type="checkbox"/> All investment is at risk.	32 b	<input type="checkbox"/> Some investment is not at risk.	

Part III Cost of Goods Sold (see instructions)

33 Method(s) used to value closing inventory: a <input type="checkbox"/> Cost b <input type="checkbox"/> Lower of cost or market c <input type="checkbox"/> Other (attach explanation)	
34 Was there any change in determining quantities, costs, or valuations between opening and closing inventory? If 'Yes,' attach explanation	<input type="checkbox"/> Yes <input type="checkbox"/> No
35 Inventory at beginning of year. If different from last year's closing inventory, attach explanation	35
36 Purchases less cost of items withdrawn for personal use	36
37 Cost of labor. Do not include any amounts paid to yourself	37
38 Materials and supplies	38
39 Other costs	39
40 Add lines 35 through 39	40
41 Inventory at end of year	41
42 Cost of goods sold. Subtract line 41 from line 40. Enter the result here and on line 4.	42

Information on Your Vehicle. Complete this part **only** if you are claiming car or truck expenses on line 9 and are not required to file Form 4562 for this business. See the instructions for line 13 to find out if you must file Form 4562.

43 When did you place your vehicle in service for business purposes? (month, day, year) ▶ _____

44 Of the total number of miles you drove your vehicle during 2014, enter the number of miles you used your vehicle for:

a Business _____ b Commuting (see instructions) _____ c Other _____

45 Was your vehicle available for personal use during off-duty hours? ☐ Yes ☐ No

46 Do you (or your spouse) have another vehicle available for personal use? ☐ Yes ☐ No

47a Do you have evidence to support your deduction? ☐ Yes ☐ No

b If 'Yes,' is the evidence written? ☐ Yes ☐ No

Other Expenses. List below business expenses not included on lines 8-26 or line 30.

BANK CHARGES	2,459.
BUSINESS LICENSE	275.
COMPUTER, INTERNET	2,646.
POSTAGE	12.
SECURITY	720.
TELEPHONE	2,868.
48 Total other expenses. Enter here and on line 27a.	48 8,980.

Schedule C (Form 1040) 2014

SCHEDULE C
(Form 1040)

Profit or Loss From Business
(Sole Proprietorship)

OMB No. 1545-0074

2014

Department of the Treasury
Internal Revenue Service (99)

► Information about Schedule C and its separate instructions is at www.irs.gov/schedulec.
► Attach to Form 1040, 1040NR, or 1041; partnerships generally must file Form 1065.

Attachment
Sequence No. **09**

Name of proprietor ANDREW L. BAUGH		Social security number (SSN) [REDACTED]	
A Principal business or profession, including product or service (see instructions) UNMANNED AIRCRAFT VEHICLES		B Enter code from instructions ► 339900	
C Business name. If no separate business name, leave blank. SINGLE SHOT LLC		D Employer ID number (EIN), (see instrs)	
E Business address (including suite or room no.) ► City, town or post office, state, and ZIP code			
F Accounting method: (1) <input checked="" type="checkbox"/> Cash (2) <input type="checkbox"/> Accrual (3) <input type="checkbox"/> Other (specify) ►			
G Did you 'materially participate' in the operation of this business during 2014? If 'No,' see instructions for limit on losses.		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
H If you started or acquired this business during 2014, check here		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
I Did you make any payments in 2014 that would require you to file Form(s) 1099? (see instructions).		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
J If 'Yes,' did you or will you file required Forms 1099?		<input type="checkbox"/> Yes <input type="checkbox"/> No	

Income	
1 Gross receipts or sales. See instructions for line 1 and check the box if this income was reported to you on Form W-2 and the 'Statutory employee' box on that form was checked. <input type="checkbox"/>	1 51,150.
2 Returns and allowances	2
3 Subtract line 2 from line 1	3 51,150.
4 Cost of goods sold (from line 42)	4 8,708.
5 Gross profit. Subtract line 4 from line 3	5 42,442.
6 Other income, including federal and state gasoline or fuel tax credit or refund (see instructions)	6
7 Gross income. Add lines 5 and 6	7 42,442.

Expenses. Enter expenses for business use of your home <u>only</u> on line 30.			
8 Advertising	8	18 Office expense (see instructions)	18 31.
9 Car and truck expenses (see instructions)	9	19 Pension and profit-sharing plans	19
10 Commissions and fees	10	20 Rent or lease (see instructions):	20
11 Contract labor (see instructions)	11 2,278.	a Vehicles, machinery, and equipment	20 a
12 Depletion	12	b Other business property	20 b
13 Depreciation and section 179 expense deduction (not included in Part III) (see instructions)	13	21 Repairs and maintenance	21
14 Employee benefit programs (other than on line 19)	14	22 Supplies (not included in Part III)	22 3,127.
15 Insurance (other than health)	15	23 Taxes and licenses	23
16 Interest:	16	24 Travel, meals, and entertainment:	24
a Mortgage (paid to banks, etc.)	16 a	a Travel	24 a 816.
b Other	16 b	b Deductible meals and entertainment (see instructions)	24 b
17 Legal & professional services	17 1,195.	25 Utilities	25
		26 Wages (less employment credits)	26
		27 a Other expenses (from line 48)	27 a 1,247.
		b Reserved for future use	27 b
28 Total expenses before expenses for business use of home. Add lines 8 through 27a		28 8,694.	
29 Tentative profit or (loss). Subtract line 28 from line 7		29 33,748.	
30 Expenses for business use of your home. Do not report these expenses elsewhere. Attach Form 8829 unless using the simplified method (see instructions). Simplified method filers only: enter the total square footage of: (a) your home: _____ and (b) the part of your home used for business: _____. Use the Simplified Method Worksheet in the instructions to figure the amount to enter on line 30.			
31 Net profit or (loss). Subtract line 30 from line 29.		31 33,748.	
<ul style="list-style-type: none"> • If a profit, enter on both Form 1040, line 12 (or Form 1040NR, line 13) and on Schedule SE, line 2. (If you checked the box on line 1, see instructions). Estates and trusts, enter on Form 1041, line 3. • If a loss, you must go to line 32. 			
32 If you have a loss, check the box that describes your investment in this activity (see instructions).			
<ul style="list-style-type: none"> • If you checked 32a, enter the loss on both Form 1040, line 12, (or Form 1040NR, line 13) and on Schedule SE, line 2. (If you checked the box on line 1, see the line 31 instructions). Estates and trusts, enter on Form 1041, line 3. • If you checked 32b, you must attach Form 6198. Your loss may be limited. 		32 a <input type="checkbox"/> All investment is at risk. 32 b <input type="checkbox"/> Some investment is not at risk.	

SCHEDULE E
(Form 1040)

Supplemental Income and Loss

OMB No. 1545-0074

(From rental real estate, royalties, partnerships, S corporations, estates, trusts, REMICs, etc.)
► Attach to Form 1040, 1040NR, or Form 1041.

2014

Department of the Treasury
Internal Revenue Service (99)

► Information about Schedule E and its separate instructions is at www.irs.gov/schedulee.

Attachment
Sequence No. **13**

Name(s) shown on return

Your social security number

ANDREW L. AND ABBIE M. BAUGH

Part I Income or Loss From Rental Real Estate and Royalties Note. If you are in the business of renting personal property, use Schedule C or C-EZ (see instructions). If you are an individual, report farm rental income or loss from Form 4835 on page 2, line 40.

- A** Did you make any payments in 2014 that would require you to file Form(s) 1099? (see instructions) ☐ Yes ☒ No
B If 'Yes,' did you or will you file required Forms 1099? ☐ Yes ☐ No

1a	Physical address of each property (street, city, state, ZIP code)			
A	4300 ARCTIC #15, ANCHORAGE, AK 99503			
B	4300 ARCTIC #10, ANCHORAGE, AK 99503			
C	4300 ARCTIC #11, ANCHORAGE, AK 99503			
1b	Type of Property (from list below)	2 For each rental real estate property listed above, report the number of fair rental and personal use days. Check the QJV box only if you meet the requirements to file as a qualified joint venture. See instructions.	Fair Rental Days	Personal Use Days
A	1	A		
B	1	B		
C	1	C		

Type of Property:

- 1 Single Family Residence 3 Vacation/Short-Term Rental 5 Land 7 Self-Rental
2 Multi-Family Residence 4 Commercial 6 Royalties 8 Other (describe)

Income:	Properties:	A	B	C
3 Rents received	3		6,200.	
4 Royalties received	4			
Expenses:				
5 Advertising	5			
6 Auto and travel (see instructions)	6			
7 Cleaning and maintenance	7			
8 Commissions	8			
9 Insurance	9			
10 Legal and other professional fees	10	100.	100.	100.
11 Management fees	11			
12 Mortgage interest paid to banks, etc (see instructions)	12			
13 Other interest	13			
14 Repairs	14	874.		
15 Supplies	15			
16 Taxes	16			
17 Utilities	17	788.	354.	687.
18 Depreciation expense or depletion	18	236.	1,010.	3,414.
19 Other (list) ► SEE STM 5 SEE STM 6 SEE ST 7	19	4,800.	7,611.	4,800.
20 Total expenses. Add lines 5 through 19	20	6,798.	9,075.	9,001.
21 Subtract line 20 from line 3 (rents) and/ or 4 (royalties). If result is a (loss), see instructions to find out if you must file Form 6198	21	-6,798.	-2,875.	-9,001.
22 Deductible rental real estate loss after limitation, if any, on Form 8582 (see instructions)	22	-6,798.	-2,875.	-9,001.
23a Total of all amounts reported on line 3 for all rental properties	23a		6,200.	
b Total of all amounts reported on line 4 for all royalty properties	23b			
c Total of all amounts reported on line 12 for all properties	23c			
d Total of all amounts reported on line 18 for all properties	23d		9,982.	
e Total of all amounts reported on line 20 for all properties	23e		48,220.	
24 Income. Add positive amounts shown on line 21. Do not include any losses	24			
25 Losses. Add royalty losses from line 21 and rental real estate losses from line 22. Enter total losses here	25			-42,020.
26 Total rental real estate and royalty income or (loss). Combine lines 24 and 25. Enter the result here. If Parts II, III, IV, and line 40 on page 2 do not apply to you, also enter this amount on Form 1040, line 17, or Form 1040NR, line 18. Otherwise, include this amount in the total on line 41 on page 2	26			-42,020.

BAA For Paperwork Reduction Act Notice, see the separate instructions.

FDIZ2301L 10/30/14

Schedule E (Form 1040) 2014

SCHEDULE E
(Form 1040)

Department of the Treasury
Internal Revenue Service (99)

Supplemental Income and Loss

(From rental real estate, royalties, partnerships, S corporations, estates, trusts, REMICs, etc.)

► Attach to Form 1040, 1040NR, or Form 1041.
► Information about Schedule E and its separate instructions is at www.irs.gov/schedulee.

OMB No. 1545-0074

2014

Attachment
Sequence No. **13**

Name(s) shown on return

Your social security number

ANDREW L. AND ABBIE M. BAUGH

Part I **Income or Loss From Rental Real Estate and Royalties** Note. If you are in the business of renting personal property, use Schedule C or C-EZ (see instructions). If you are an individual, report farm rental income or loss from Form 4835 on page 2, line 40.

- A** Did you make any payments in 2014 that would require you to file Form(s) 1099? (see instructions). ☐ Yes ☐ No
B If 'Yes,' did you or will you file required Forms 1099? ☐ Yes ☐ No

1 a Physical address of each property (street, city, state, ZIP code)				Fair Rental Days	Personal Use Days	QJV
A	4300 ARCTIC #18, ANCHORAGE, AK 99503	A				
B	4300 ARCTIC #25, ANCHORAGE, AK 99503	B				
C	4300 ARCTIC #33, ANCHORAGE, AK 99503	C				
1 b Type of Property (from list below)	2 For each rental real estate property listed above, report the number of fair rental and personal use days. Check the QJV box only if you meet the requirements to file as a qualified joint venture. See instructions.					
A	1	A				
B	1	B				
C	1	C				

Type of Property:

- 1 Single Family Residence 3 Vacation/Short-Term Rental 5 Land 7 Self-Rental
2 Multi-Family Residence 4 Commercial 6 Royalties 8 Other (describe)

Income:		Properties:	A	B	C
3	Rents received	3			
4	Royalties received	4			
Expenses:					
5	Advertising	5			
6	Auto and travel (see instructions)	6			
7	Cleaning and maintenance	7			
8	Commissions	8			
9	Insurance	9			
10	Legal and other professional fees	10	100.	100.	100.
11	Management fees	11			
12	Mortgage interest paid to banks, etc (see instructions)	12			
13	Other interest	13			
14	Repairs	14	353.		71.
15	Supplies	15			
16	Taxes	16			
17	Utilities	17	833.	354.	1,713.
18	Depreciation expense or depletion	18	2,771.	1,846.	705.
19	Other (list) ► <u>SEE STM 8 SEE STM 9 SEE ST 10</u>	19	4,800.	4,800.	4,800.
20	Total expenses. Add lines 5 through 19	20	8,857.	7,100.	7,389.
21	Subtract line 20 from line 3 (rents) and/or 4 (royalties). If result is a (loss), see instructions to find out if you must file Form 6198	21	-8,857.	-7,100.	-7,389.
22	Deductible rental real estate loss after limitation, if any, on Form 8582 (see instructions)	22	-8,857.	-7,100.	-7,389.
23 a	Total of all amounts reported on line 3 for all rental properties	23a			
b	Total of all amounts reported on line 4 for all royalty properties	23b			
c	Total of all amounts reported on line 12 for all properties	23c			
d	Total of all amounts reported on line 18 for all properties	23d			
e	Total of all amounts reported on line 20 for all properties	23e			
24	Income. Add positive amounts shown on line 21. Do not include any losses	24			
25	Losses. Add royalty losses from line 21 and rental real estate losses from line 22. Enter total losses here	25			
26	Total rental real estate and royalty income or (loss). Combine lines 24 and 25. Enter the result here. If Parts II, III, IV, and line 40 on page 2 do not apply to you, also enter this amount on Form 1040, line 17, or Form 1040NR, line 18. Otherwise, include this amount in the total on line 41 on page 2.	26			

BAA For Paperwork Reduction Act Notice, see the separate instructions.

FDIZ2301L 10/30/14

Schedule E (Form 1040) 2014

Name(s) shown on return. Do not enter name and social security number if shown on Page 1.

Your social security number

ANDREW L. AND ABBIE M. BAUGH

Caution: The IRS compares amounts reported on your tax return with amounts shown on Schedule(s) K-1.

Part II Income or Loss From Partnerships and S Corporations

Note: If you report a loss from an at-risk activity for which any amount is not at risk, you must check the box in column (e) on line 28 and attach Form 6198. See instructions.

- 27 Are you reporting any loss not allowed in a prior year due to the at-risk, excess farm loss, or basis limitations, a prior year unallowed loss from a passive activity (if that loss was not reported on Form 8582), or unreimbursed partnership expenses? If you answered "Yes," see instructions before completing this section. ☐ Yes ☒ No

28	(a) Name	(b) Enter P for partnership; S for S corporation	(c) Check if foreign partnership	(d) Employer identification number	(e) Check if any amount is not at risk
A	KAANDA LLC	P		92-0161254	
B	KIONA, LLC	P		55-0857166	
C	TETON, LLC	P		72-1589514	
D	DOUBLE D EQUIPMENT LLC	P		45-4849835	

Passive Income and Loss		Nonpassive Income and Loss		
(f) Passive loss allowed (attach Form 8582 if required)	(g) Passive income from Schedule K-1	(h) Nonpassive loss from Schedule K-1	(i) Section 179 expense deduction from Form 4562	(j) Nonpassive income from Schedule K-1
A	66,652.			
B	15,322.			
C	35,663.			
D	3,068.			
29 a Totals	105,383.			
b Totals	15,322.			
30 Add columns (g) and (j) of line 29a			30	105,383.
31 Add columns (f), (h), and (i) of line 29b			31	-15,322.
32 Total partnership and S corporation income or (loss). Combine lines 30 and 31. Enter the result here and include in the total on line 41 below			32	90,061.

Income or Loss From Estates and Trusts

33	(a) Name	(b) Employer ID no.
A		
B		

Passive Income and Loss		Nonpassive Income and Loss	
(c) Passive deduction or loss allowed (attach Form 8582 if required)	(d) Passive income from Schedule K-1	(e) Deduction or loss from Schedule K-1	(f) Other income from Schedule K-1
A			
B			
34 a Totals			
b Totals			
35 Add columns (d) and (f) of line 34a			35
36 Add columns (c) and (e) of line 34b			36
37 Total estate and trust income or (loss). Combine lines 35 and 36. Enter the result here and include in the total on line 41 below			37

Income or Loss From Real Estate Mortgage Investment Conduits (REMICs) – Residual Holder

38	(a) Name	(b) Employer identification number	(c) Excess inclusion from Schedules Q, line 2c (see instructions)	(d) Taxable income (net loss) from Schedules Q, line 1b	(e) Income from Schedules Q, line 3b
39	Combine columns (d) and (e) only. Enter the result here and include in the total on line 41 below				39

Summary

40	Net farm rental income or (loss) from Form 4835. Also, complete line 42 below	40	
41	Total income or (loss). Combine lines 26, 32, 37, 39, and 40. Enter the result here and on Form 1040, line 17, or Form 1040NR, line 18	41	48,041.
42	Reconciliation of farming and fishing income. Enter your gross farming and fishing income reported on Form 4835, line 7; Schedule K-1 (Form 1065), box 14, code B; Schedule K-1 (Form 1120S), box 17, code V; and Schedule K-1 (Form 1041), box 14, code F (see instructions)	42	
43	Reconciliation for real estate professionals. If you were a real estate professional (see instructions), enter the net income or (loss) you reported anywhere on Form 1040 or Form 1040NR from all rental real estate activities in which you materially participated under the passive activity loss rules.	43	

2014

FEDERAL STATEMENTS

PAGE 1

CLIENT BAUGHA

ANDREW L. AND ABBIE M. BAUGH

10/05/15

06:50PM

STATEMENT 1
FORM 1040
WAGE SCHEDULE

TAXPAYER - EMPLOYER	WAGES	FEDERAL W/H	FICA	MEDI- CARE	STATE W/H	LOCAL W/H
FRONTIER FILMS LLC	9,000.	2,272.	1,181.	131.	335.	
FRONTIER FILMS LLC	5,050.		313.	73.	270.	
FRONTIER FILMS LLC	5,000.		310.	73.	214.	
TOTAL	19,050.	2,272.	1,804.	277.	819.	0.

SPOUSE - EMPLOYER	WAGES	FEDERAL W/H	FICA	MEDI- CARE	STATE W/H	LOCAL W/H
ALASKA WILDLIFE CONSERVATION C	47,726.	4,415.	2,959.	692.		
TOTAL	47,726.	4,415.	2,959.	692.		0.
GRAND TOTAL	66,776.	6,687.	4,763.	969.	819.	0.

STATEMENT 2
FORM 1040, PAGE 2
PENALTIES

TAX DUE BEFORE PENALTIES	\$	25,460.
LATE PAYMENT		756.
INTEREST		382.
GRAND TOTAL TAX DUE	\$	26,598.

STATEMENT 3
SCHEDULE A, LINE 10
HOME MORTGAGE INTEREST REPORTED ON FORM 1098

HOME OFFICE NONBUSINESS ALLOCATION	\$	4,787.
TOTAL	\$	4,787.

STATEMENT 4
SCHEDULE A, LINE 12
DEDUCTIBLE POINTS

AMORTIZATION	\$	103.
TOTAL	\$	103.

STATEMENT 5
SCHEDULE E, LINE 19 - 4300 ARCTIC #15
OTHER RENTAL AND ROYALTY EXPENSES

SPACE RENTAL	\$	4,800.
TOTAL	\$	4,800.

For the year Jan. 1 - Dec. 31, 2016, or other tax year beginning 2016, ending 20, See separate instructions.

Your first name and initial ANDREW L. BAUGH Last name Your social security number

If a joint return, spouse's first name and initial ABBIE M. BAUGH Last name Spouse's social security number

Home address (number and street), if you have a P.O. box, see instructions, PO BOX 672 Apt. no. Make sure the SSN(s) above and on line 6c are correct.

City, town or post office, state, and ZIP code, if you have a foreign address, also complete spaces below (see instructions). GIRDWOOD, AK 99587

Foreign country name Foreign province/state/country Foreign postal code Presidential Election Campaign

Filing Status 1 ☐ Single 4 ☐ Head of household (with qualifying person). (See instructions.) If the qualifying person is a child but not your dependent, enter this child's name here. 2 ☒ Married filing jointly (even if only one had income) 5 ☐ Qualifying widow(er) with dependent child 3 ☐ Married filing separately. Enter spouse's SSN above & full name here. Check only one box.

Exemptions 6a ☒ Yourself. If someone can claim you as a dependent, do not check box 6a. Boxes checked on 6a and 6b 2 b ☒ Spouse No. of children on 6c who: c Dependents: (1) First name Last name (2) Dependent's social security number (3) Dependent's relationship to you (4) ☒ If child under age 17 qualifying for child tax credit (see instructions) 2 SLOANE A. BAUGH DAUGHTER X SHILOH BAUGH DAUGHTER X If more than four dependents, see instructions and check here. Add numbers on lines above 4 d Total number of exemptions claimed.

Income 7 Wages, salaries, tips, etc. Attach Form(s) W-2. 7 61,495. 8a Taxable interest. Attach Schedule B if required. 8a 5,890. b Tax-exempt interest. Do not include on line 8a 8b 9a Ordinary dividends. Attach Schedule B if required. 9a 78. b Qualified dividends 9b 78. 10 Taxable refunds, credits, or offsets of state and local income taxes. 10 53. 11 Alimony received. 11 12 Business income or (loss). Attach Schedule C or C-EZ. 12 -2,033. 13 Capital gain or (loss). Attach Schedule D if required. If not required, check here. 13 430,803. 14 Other gains or (losses). Attach Form 4797. 14 15a IRA distributions. 15a b Taxable amount. 15b 36,869. 16a Pensions and annuities. 16a b Taxable amount. 16b 17 Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E. 17 2,817. 18 Farm income or (loss). Attach Schedule F. 18 19 Unemployment compensation. 19 20a Social security benefits. 20a b Taxable amount. 20b 21 Other income. List type and amount SEE STATEMENT 3 21 6,318. 22 Combine the amounts in the far right column for lines 7 through 21. This is your total income. 22 542,290.

Adjusted Gross Income 23 Educator expenses. 23 24 Certain business expenses of reservists, performing artists, and fee-basis government officials. Attach Form 2106 or 2106-EZ. 24 25 Health savings account deduction. Attach Form 8889. 25 26 Moving expenses. Attach Form 3903. 26 27 Deductible part of self-employment tax. Attach Schedule SE. 27 159. 28 Self-employed SEP, SIMPLE, and qualified plans. 28 29 Self-employed health insurance deduction. 29 30 Penalty on early withdrawal of savings. 30 31a Alimony paid b Recipient's SSN 31a 32 IRA deduction. 32 33 Student loan interest deduction. 33 34 Tuition and fees. Attach Form 8917. 34 35 Domestic production activities deduction. Attach Form 8903. 35 36 Add lines 23 through 35. 36 159. 37 Subtract line 36 from line 22. This is your adjusted gross income. 37 542,131.

Tax and Credits**Standard Deduction for —**

• People who check any box on line 39a or 39b or who can be claimed as a dependent, see instructions.

• All others:
Single or Married filing separately, **\$6,300**

Married filing jointly or Qualifying widow(er), **\$12,600**

Head of household, **\$9,300**

38	Amount from line 37 (adjusted gross income)	38	542,131.
39a	Check <input type="checkbox"/> You were born before January 2, 1952, <input type="checkbox"/> Blind. <input type="checkbox"/> Total boxes checked > 39a		
	if: <input type="checkbox"/> Spouse was born before January 2, 1952, <input type="checkbox"/> Blind. <input type="checkbox"/> Total boxes checked > 39b		
40	Itemized deductions (from Schedule A) or your standard deduction (see left margin)	40	20,537.
41	Subtract line 40 from line 38	41	521,594.
42	Exemptions. If line 38 is \$155,650 or less, multiply \$4,050 by the number on line 6d. Otherwise, see instrs	42	0.
43	Taxable income. Subtract line 42 from line 41. If line 42 is more than line 41, enter -0-	43	521,594.
44	Tax (see instructions). Check if any from: a <input type="checkbox"/> Form(s) 8814 c <input type="checkbox"/>	44	94,195.
	b <input type="checkbox"/> Form 4972	45	9,156.
45	Alternative minimum tax (see instructions). Attach Form 6251.	46	
46	Excess advance premium tax credit repayment. Attach Form 8962	47	103,351.
47	Add lines 44, 45, and 46		
48	Foreign tax credit. Attach Form 1116 if required	48	
49	Credit for child and dependent care expenses. Attach Form 2441	49	600.
50	Education credits from Form 8863, line 19	50	
51	Retirement savings contributions credit. Attach Form 8880	51	
52	Child tax credit. Attach Schedule 8812, if required	52	
53	Residential energy credits. Attach Form 5695	53	
54	Other crs from Form: a <input type="checkbox"/> 3800 b <input type="checkbox"/> 8801 c <input type="checkbox"/>	54	
55	Add lines 48 through 54. These are your total credits	55	600.
56	Subtract line 55 from line 47. If line 55 is more than line 47, enter -0-	56	102,751.

Other Taxes

57	Self-employment tax. Attach Schedule SE	57	317.
58	Unreported social security and Medicare tax from Form: a <input type="checkbox"/> 4137 b <input type="checkbox"/> 8919	58	
59	Additional tax on IRAs, other qualified retirement plans, etc. Attach Form 5329 if required	59	3,687.
60a	Household employment taxes from Schedule H	60a	
60b	First-time homebuyer credit repayment. Attach Form 5405 if required	60b	
61	Health care: individual responsibility (see instructions) Full-year coverage <input checked="" type="checkbox"/>	61	
62	Taxes from: a <input type="checkbox"/> Form 8959 b <input checked="" type="checkbox"/> Form 8960 c <input type="checkbox"/> Instrs; enter code(s)	62	11,101.
63	Add lines 56 through 62. This is your total tax	63	117,856.

Payments

If you have a qualifying child, attach Schedule EIC.

64	Federal income tax withheld from Forms W-2 and 1099	64	9,494.
65	2016 estimated tax payments and amount applied from 2015 return	65	10,000.
66a	Earned income credit (EIC)	66a	
66b	Non-taxable combat pay election	66b	
67	Additional child tax credit. Attach Schedule 8812	67	
68	American opportunity credit from Form 8863, line 8	68	
69	Net premium tax credit. Attach Form 8962	69	
70	Amount paid with request for extension to file	70	20,000.
71	Excess social security and tier 1 RRTA tax withheld	71	
72	Credit for federal tax on fuels. Attach Form 4136	72	
73	Credits from Form: a <input type="checkbox"/> 2439 b <input checked="" type="checkbox"/> Reserved c <input type="checkbox"/> 8885 d <input type="checkbox"/>	73	
74	Add lines 64, 65, 66a, and 67 through 73. These are your total payments	74	39,494.

Refund

75	If line 74 is more than line 63, subtract line 63 from line 74. This is the amount you overpaid	75	
76a	Amount of line 75 you want refunded to you. If Form 8888 is attached, check here <input type="checkbox"/>	76a	
76b	Routing number	76b	
76c	Type: <input type="checkbox"/> Checking <input type="checkbox"/> Savings	76c	
76d	Account number	76d	

Direct deposit? See instructions.

Amount You Owe

77	Amount of line 75 you want applied to your 2017 estimated tax	77	
78	Amount you owe. Subtract line 74 from line 63. For details on how to pay, see instructions	78	79,635.
79	Estimated tax penalty (see instructions)	79	1,273.

Third Party Designee

Do you want to allow another person to discuss this return with the IRS (see instructions)? ☒ Yes. Complete below. ☐ No

Designee's name **MARK E. SCHNEITER** Phone no. **(907) 562-4242** Personal identification number (PIN) **16685**

Sign Here

Joint return? See instructions.

Keep a copy for your records.

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and accurately list all amounts and sources of income I received during the tax year. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Your signature **MARK E. SCHNEITER** Date **10/09/17** Your occupation **MANAGER** Daytime phone number **92-0133869**

Spouse's signature. If a joint return, both must sign. Date **10/09/17** Spouse's occupation **HOMEMAKER** If the IRS sent you an Identity Protection PIN, enter it here (see inst.) **P00016685**

Paid Preparer Use Only

Print/Type preparer's name **MARK E. SCHNEITER** Preparer's signature **MARK E. SCHNEITER** Date **10/09/17** Check ☐ if self-employed PTIN **P00016685**

Firm's name **SCHNEITER COLE CPA'S, LLC** Firm's EIN **92-0133869**

Firm's address **235 EAST 8TH AVE., STE. 3B ANCHORAGE, AK 99501** Phone no. **(907) 562-4242**

SCHEDULE C
(Form 1040)

Profit or Loss From Business
(Sole Proprietorship)

OMB No. 1545-0074

2016

Attachment
Sequence No. **09**

Department of the Treasury
Internal Revenue Service (99)

► Information about Schedule C and its separate instructions is at www.irs.gov/schedulec.
► Attach to Form 1040, 1040NR, or 1041; partnerships generally must file Form 1065.

Name of proprietor ANDREW L. BAUGH		Social security number (SSN) [REDACTED]
A Principal business or profession, including product or service (see instructions) STORAGE SPACE RENTALS		B Enter code from instructions ► 531100
C Business name, if no separate business name, leave blank. 76TH PARK & STORE, LLC		D Employer ID number (EIN), (see instr.) 26-3062509
E Business address (including suite or room no.) ► City, town or post office, state, and ZIP code		
F Accounting method: (1) <input checked="" type="checkbox"/> Cash (2) <input type="checkbox"/> Accrual (3) <input type="checkbox"/> Other (specify) ►		
G Did you 'materially participate' in the operation of this business during 2016? If 'No,' see instructions for limit on losses.		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
H If you started or acquired this business during 2016, check here		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
I Did you make any payments in 2016 that would require you to file Form(s) 1099? (see instructions).		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
J If 'Yes,' did you or will you file required Forms 1099?		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

Income

1 Gross receipts or sales. See instructions for line 1 and check the box if this income was reported to you on Form W-2 and the 'Statutory employee' box on that form was checked. <input type="checkbox"/>	103,431.
2 Returns and allowances	
3 Subtract line 2 from line 1	103,431.
4 Cost of goods sold (from line 42)	
5 Gross profit. Subtract line 4 from line 3	103,431.
6 Other income, including federal and state gasoline or fuel tax credit or refund (see instructions)	
7 Gross income. Add lines 5 and 6	103,431.

Expenses. Enter expenses for business use of your home **only** on line 30.

8 Advertising	500.	18 Office expense (see instructions)	617.
9 Car and truck expenses (see instructions)	1,015.	19 Pension and profit-sharing plans	
10 Commissions and fees		20 Rent or lease (see instructions):	
11 Contract labor (see instructions)		a Vehicles, machinery, and equipment	
12 Depletion		b Other business property	
13 Depreciation and section 179 expense deduction (not included in Part III) (see instructions)	8,868.	21 Repairs and maintenance	23,920.
14 Employee benefit programs (other than on line 19)		22 Supplies (not included in Part III)	
15 Insurance (other than health)	1,013.	23 Taxes and licenses	30,096.
16 Interest:		24 Travel, meals, and entertainment:	
a Mortgage (paid to banks, etc.)		a Travel	150.
b Other	6,702.	b Deductible meals and entertainment (see instructions)	43.
17 Legal and professional services	7,007.	25 Utilities	10,977.
28 Total expenses before expenses for business use of home. Add lines 8 through 27a		26 Wages (less employment credits)	
29 Tentative profit or (loss). Subtract line 28 from line 7		27a Other expenses (from line 48)	13,240.
30 Expenses for business use of your home. Do not report these expenses elsewhere. Attach Form 8829 unless using the simplified method (see instructions). Simplified method filers only: enter the total square footage of: (a) your home: _____ and (b) the part of your home used for business: _____. Use the Simplified Method Worksheet in the instructions to figure the amount to enter on line 30		27b Reserved for future use	
31 Net profit or (loss). Subtract line 30 from line 29. • If a profit, enter on both Form 1040, line 12 (or Form 1040NR, line 13) and on Schedule SE, line 2. (If you checked the box on line 1, see instructions). Estates and trusts, enter on Form 1041, line 3. • If a loss, you must go to line 32.		30	1,316.
32 If you have a loss, check the box that describes your investment in this activity (see instructions). • If you checked 32a, enter the loss on both Form 1040, line 12 (or Form 1040NR, line 13) and on Schedule SE, line 2. (If you checked the box on line 1, see the line 31 instructions). Estates and trusts, enter on Form 1041, line 3. • If you checked 32b, you must attach Form 6198. Your loss may be limited.		31	-2,033.
		32a <input checked="" type="checkbox"/> All investment is at risk.	
		32b <input type="checkbox"/> Some investment is not at risk.	

BAA For Paperwork Reduction Act Notice, see the separate instructions.

FDX20112L 08/13/16

Schedule C (Form 1040) 2016

Part III Cost of Goods Sold (see instructions)

33	Method(s) used to value closing inventory: a <input type="checkbox"/> Cost b <input type="checkbox"/> Lower of cost or market c <input type="checkbox"/> Other (attach explanation)	
34	Was there any change in determining quantities, costs, or valuations between opening and closing inventory? If 'Yes,' attach explanation	<input type="checkbox"/> Yes <input type="checkbox"/> No
35	Inventory at beginning of year. If different from last year's closing inventory, attach explanation	35
36	Purchases less cost of items withdrawn for personal use	36
37	Cost of labor. Do not include any amounts paid to yourself	37
38	Materials and supplies	38
39	Other costs	39
40	Add lines 35 through 39	40
41	Inventory at end of year	41
42	Cost of goods sold. Subtract line 41 from line 40. Enter the result here and on line 4	42

Part IV Information on Your Vehicle. Complete this part **only** if you are claiming car or truck expenses on line 9 and are not required to file Form 4562 for this business. See the instructions for line 13 to find out if you must file Form 4562.

43 When did you place your vehicle in service for business purposes? (month, day, year) ▶ _____

44 Of the total number of miles you drove your vehicle during 2016, enter the number of miles you used your vehicle for:

a Business _____ b Commuting (see instructions) _____ c Other _____

45 Was your vehicle available for personal use during off-duty hours? ☐ Yes ☐ No

46 Do you (or your spouse) have another vehicle available for personal use? ☐ Yes ☐ No

47a Do you have evidence to support your deduction? ☐ Yes ☐ No

b If 'Yes,' is the evidence written? ☐ Yes ☐ No

Part V Other Expenses. List below business expenses not included on lines 8-26 or line 30.

BANK CHARGES	2,286.
COMPUTER, INTERNET	2,799.
DAMAGE TO PROPERTY	1,500.
MISCELLANEOUS	50.
POSTAGE	298.
SECURITY	2,846.
TELEPHONE	3,432.
TOOLS	29.
48 Total other expenses. Enter here and on line 27a	13,240.

Schedule C (Form 1040) 2016

SCHEDULE E
(Form 1040)

Supplemental Income and Loss

OMB No. 1545-0074

2016

Attachment
Sequence No. **13**

Department of the Treasury
Internal Revenue Service (99)

(From rental real estate, royalties, partnerships, S corporations, estates, trusts, REMICs, etc.)
▶ Attach to Form 1040, 1040NR, or Form 1041.

▶ Information about Schedule E and its separate instructions is at www.irs.gov/schedulee.

Name(s) shown on return

Your social security number

ANDREW L. AND ABBIE M. BAUGH

Part I **Income or Loss From Rental Real Estate and Royalties** Note: If you are in the business of renting personal property, use Schedule C or C-EZ (see instructions). If you are an individual, report farm rental income or loss from Form 4835 on page 2, line 40.

- A** Did you make any payments in 2016 that would require you to file Form(s) 1099? (see instructions) ☐ Yes ☒ No
B If 'Yes,' did you or will you file required Forms 1099? ☐ Yes ☐ No

1a Physical address of each property (street, city, state, ZIP code)

A **GLACIER VALLEY #10, GIRDWOOD, AK 99587**

B **4300 ARCTIC #25, ANCHORAGE, AK 99503**

C **4300 ARCTIC #33, ANCHORAGE, AK 99503**

1b Type of Property (from list below)	2 For each rental real estate property listed above, report the number of fair rental and personal use days. Check the QJV box only if you meet the requirements to file as a qualified joint venture. See instructions.	Fair Rental Days	Personal Use Days	QJV
A 1	A			
B 1	B			
C 1	C			

Type of Property:

- 1 Single Family Residence 3 Vacation/Short-Term Rental 5 Land 7 Self-Rental
2 Multi-Family Residence 4 Commercial 6 Royalties 8 Other (describe)

Income:	Properties:	A	B	C
3 Rents received	3	10,110.	8,875.	3,320.
4 Royalties received	4			
Expenses:				
5 Advertising	5			
6 Auto and travel (see instructions)	6			
7 Cleaning and maintenance	7			
8 Commissions	8			
9 Insurance	9			
10 Legal and other professional fees	10			
11 Management fees	11			
12 Mortgage interest paid to banks, etc (see instructions)	12			
13 Other interest	13			
14 Repairs	14		506.	6,233.
15 Supplies	15			
16 Taxes	16	205.	254.	656.
17 Utilities	17	89.	2,852.	1,146.
18 Depreciation expense or depletion	18	675.	1,846.	359.
19 Other (list) ▶ <u>SEE STM 7 SEE STM 8 SEE ST 9</u>	19	7,846.	5,571.	5,571.
20 Total expenses. Add lines 5 through 19	20	8,815.	11,029.	13,965.
21 Subtract line 20 from line 3 (rents) and/or 4 (royalties). If result is a (loss), see instructions to find out if you must file Form 6198	21	1,295.	-2,154.	-10,645.
22 Deductible rental real estate loss after limitation, if any, on Form 8582 (see instructions)	22		-2,154.	-10,645.
23a Total of all amounts reported on line 3 for all rental properties	23a		22,305.	
b Total of all amounts reported on line 4 for all royalty properties	23b			
c Total of all amounts reported on line 12 for all properties	23c			
d Total of all amounts reported on line 18 for all properties	23d		2,880.	
e Total of all amounts reported on line 20 for all properties	23e		33,809.	
24 Income. Add positive amounts shown on line 21. Do not include any losses	24			1,295.
25 Losses. Add royalty losses from line 21 and rental real estate losses from line 22. Enter total losses here...	25			-12,799.
26 Total rental real estate and royalty income or (loss). Combine lines 24 and 25. Enter the result here. If Parts II, III, IV, and line 40 on page 2 do not apply to you, also enter this amount on Form 1040, line 17, or Form 1040NR, line 18. Otherwise, include this amount in the total on line 41 on page 2.	26			-11,504.

BAA For Paperwork Reduction Act Notice, see the separate instructions.

FDIZ2301L 06/23/16

Schedule E (Form 1040) 2016

Name(s) shown on return. Do not enter name and social security number if shown on Page 1.

Your social security number

ANDREW L. AND ABBIE M. BAUGH

Caution: The IRS compares amounts reported on your tax return with amounts shown on Schedule(s) K-1.

Part I Income or Loss From Partnerships and S Corporations

Note: If you report a loss from an at-risk activity for which any amount is not at risk, you must check the box in column (e) on line 28 and attach Form 6198. See instructions.

27 Are you reporting any loss not allowed in a prior year due to the at-risk, excess farm loss, or basis limitations, a prior year unallowed loss from a passive activity (if that loss was not reported on Form 8582), or unreimbursed partnership expenses? If you answered 'Yes,' see instructions before completing this section.					<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
28	(a) Name	(b) Enter P for partnership; S for S corporation	(c) Check if foreign partnership	(d) Employer identification number	(e) Check if any amount is not at risk	
A	SEE STATEMENT 10					
B						
C						
D						
Passive Income and Loss		Nonpassive Income and Loss				
	(f) Passive loss allowed (attach Form 8582 if required)	(g) Passive income from Schedule K-1	(h) Nonpassive loss from Schedule K-1	(i) Section 179 expense deduction from Form 4562	(j) Nonpassive income from Schedule K-1	
A						
B						
C						
D						
29a	Totals	57,235.			2,040.	
b	Totals	42,914.		2,040.		
30	Add columns (g) and (i) of line 29a			30	59,275.	
31	Add columns (f), (h), and (i) of line 29b			31	-44,954.	
32	Total partnership and S corporation income or (loss). Combine lines 30 and 31. Enter the result here and include in the total on line 41 below.				32	14,321.

Part II Income or Loss From Estates and Trusts

33	(a) Name	(b) Employer ID no.				
A						
B						
Passive Income and Loss		Nonpassive Income and Loss				
	(c) Passive deduction or loss allowed (attach Form 8582 if required)	(d) Passive income from Schedule K-1	(e) Deduction or loss from Schedule K-1	(f) Other income from Schedule K-1		
A						
B						
34a	Totals					
b	Totals					
35	Add columns (d) and (f) of line 34a			35		
36	Add columns (c) and (e) of line 34b			36		
37	Total estate and trust income or (loss). Combine lines 35 and 36. Enter the result here and include in the total on line 41 below.				37	

Part III Income or Loss From Real Estate Mortgage Investment Conduits (REMICs) – Residual Holder

38	(a) Name	(b) Employer identification number	(c) Excess inclusion from Schedules Q, line 2c (see instructions)	(d) Taxable income (net loss) from Schedules Q, line 1b	(e) Income from Schedules Q, line 3b
39	Combine columns (d) and (e) only. Enter the result here and include in the total on line 41 below.				

Part V Summary

40	Net farm rental income or (loss) from Form 4835. Also, complete line 42 below.	40	
41	Total income or (loss). Combine lines 26, 32, 37, 39, and 40. Enter the result here and on Form 1040, line 17, or Form 1040NR, line 18.	41	2,817.
42	Reconciliation of farming and fishing income. Enter your gross farming and fishing income reported on Form 4835, line 7; Schedule K-1 (Form 1065), box 14, code B; Schedule K-1 (Form 1120S), box 17, code V; and Schedule K-1 (Form 1041), box 14, code F (see instructions).	42	
43	Reconciliation for real estate professionals. If you were a real estate professional (see instructions), enter the net income or (loss) you reported anywhere on Form 1040 or Form 1040NR from all rental real estate activities in which you materially participated under the passive activity loss rules.	43	

2016

FEDERAL STATEMENTS

PAGE 1

CLIENT BAUGHA

ANDREW L. AND ABBIE M. BAUGH

10/09/17

09:31AM

STATEMENT 1
FORM 1040
WAGE SCHEDULE

TAXPAYER - EMPLOYER	WAGES	FEDERAL W/H	FICA	MEDI- CARE	STATE W/H	LOCAL W/H
FRONTIER FILMS LLC	9,925.	888.	615.	144.	272.	
TOTAL	9,925.	888.	615.	144.	272.	0.
SPOUSE - EMPLOYER	WAGES	FEDERAL W/H	FICA	MEDI- CARE	STATE W/H	LOCAL W/H
ALASKA WILDLIFE CONSERVATION CENTER	51,570.	4,919.	3,197.	748.		
TOTAL	51,570.	4,919.	3,197.	748.		0.
GRAND TOTAL	61,495.	5,807.	3,812.	892.	272.	0.

STATEMENT 2
FORM 1040
IRA DISTRIBUTION SCHEDULE

TAXPAYER - PAYER	TOTAL RECEIVED	TAXABLE AMOUNT	FEDERAL W/H	STATE W/H
PRINCIPAL LIFE INSURANCE CO.	36,869.	36,869.	3,687.	
GRAND TOTAL	36,869.	36,869.	3,687.	0.

STATEMENT 3
FORM 1040, LINE 21
OTHER INCOME

ALASKA PERMANENT FUND DIVIDENDS	\$	2,044.
TETON, LLC		4,274.
TOTAL	\$	6,318.

STATEMENT 4
FORM 1040, PAGE 2
PENALTIES

TAX DUE BEFORE PENALTIES	\$	79,635.
LATE PAYMENT		2,743.
INTEREST		1,596.
GRAND TOTAL TAX DUE	\$	83,974.

2016

FEDERAL STATEMENTS

PAGE 3

CLIENT BAUGHA

ANDREW L. AND ABBIE M. BAUGH

10/09/17

09:31AM

STATEMENT 10
SCHEDULE E, PAGE 2
PART II - INCOME OR LOSS FROM PARTNERSHIPS AND S CORPORATIONS

NAME	TYPE	X IF FOREIGN	EMPLOYER I.D. NO.	ANY INVEST. NOT AT RISK	PTP	PASSIVE LOSS FROM FORM 8582	PASSIVE INC. FROM SCH. K-1	NONPASSIVE LOSS FROM SCH. K-1	SECTION 179 DEDUCTION	NONPASSIVE INCOME FROM K-1
KAANDA LLC	P		92-0161254				\$ 57,235.			
KIONA, LLC	P		55-0857166			\$ 6,940.				
TETON, LLC	P		72-1589514			34,306.				
UPE	P		72-1589514			1,668.				
SOLID SHOT LLC	P		47-1064640							
TOTAL						\$ 42,914.	\$ 57,235.	\$ 0.	\$ 2,040.	\$ 2,040.

Exhibit No. 2009
Page 57 of 106

Tax and Credits**Standard Deduction for —**

• People who check any box on line 39a or 39b or who can be claimed as a dependent, see instructions.

• All others:
Single or Married filing separately, \$6,300
Married filing jointly or Qualifying widow(er), \$12,600
Head of household, \$9,250

38	Amount from line 37 (adjusted gross income)	38	304,978.
39a	Check <input type="checkbox"/> You were born before January 2, 1951, <input type="checkbox"/> Blind. <input type="checkbox"/> Total boxes checked <input type="checkbox"/> 39a		
	if: <input type="checkbox"/> Spouse was born before January 2, 1951, <input type="checkbox"/> Blind. <input type="checkbox"/> Total boxes checked <input type="checkbox"/> 39b		
b	If your spouse itemizes on a separate return or you were a dual-status alien, check here <input type="checkbox"/> 39b		
40	Itemized deductions (from Schedule A) or your standard deduction (see left margin)	40	26,624.
41	Subtract line 40 from line 38	41	278,354.
42	Exemptions. If line 38 is \$154,950 or less, multiply \$4,000 by the number on line 6d. Otherwise, see instrs	42	16,000.
43	Taxable income. Subtract line 42 from line 41. If line 42 is more than line 41, enter -0-	43	262,354.
44	Tax (see instructions). Check if any from: a <input checked="" type="checkbox"/> Form(s) 8814 c <input type="checkbox"/> b <input type="checkbox"/> Form 4972	44	54,095.
45	Alternative minimum tax (see instructions). Attach Form 6251	45	0.
46	Excess advance premium tax credit repayment. Attach Form 8962	46	
47	Add lines 44, 45, and 46	47	54,095.
48	Foreign tax credit. Attach Form 1116 if required	48	
49	Credit for child and dependent care expenses. Attach Form 2441	49	600.
50	Education credits from Form 8863, line 19	50	
51	Retirement savings contributions credit. Attach Form 8880	51	
52	Child tax credit. Attach Schedule 8812, if required	52	
53	Residential energy credits. Attach Form 5695	53	
54	Other crs from Form: a <input type="checkbox"/> 3800 b <input type="checkbox"/> 8801 c <input type="checkbox"/>	54	
55	Add lines 48 through 54. These are your total credits	55	600.
56	Subtract line 55 from line 47. If line 55 is more than line 47, enter -0-	56	53,495.

Other Taxes

57	Self-employment tax. Attach Schedule SE	57	
58	Unreported social security and Medicare tax from Form: a <input type="checkbox"/> 4137 b <input type="checkbox"/> 8919	58	
59	Additional tax on IRAs, other qualified retirement plans, etc. Attach Form 5329 if required	59	
60a	Household employment taxes from Schedule H	60a	
b	First-time homebuyer credit repayment. Attach Form 5405 if required	60b	
61	Health care: individual responsibility (see instructions) Full-year coverage <input checked="" type="checkbox"/>	61	
62	Taxes from: a <input type="checkbox"/> Form 8959 b <input checked="" type="checkbox"/> Form 8960 c <input type="checkbox"/> Instrs; enter code(s)	62	2,089.
63	Add lines 56 through 62. This is your total tax	63	55,584.

Payments

If you have a qualifying child, attach Schedule EIC.

64	Federal income tax withheld from Forms W-2 and 1099	64	5,115.
65	2015 estimated tax payments and amount applied from 2014 return	65	7,000.
66a	Earned income credit (EIC)	66a	
b	Nontaxable combat pay election <input type="checkbox"/> 66b	66b	
67	Additional child tax credit. Attach Schedule 8812	67	
68	American opportunity credit from Form 8863, line 8	68	
69	Net premium tax credit. Attach Form 8962	69	
70	Amount paid with request for extension to file	70	8,000.
71	Excess social security and tier 1 RRTA tax withheld	71	
72	Credit for federal tax on fuels. Attach Form 4136	72	
73	Credits from Form: a <input type="checkbox"/> 2439 b <input checked="" type="checkbox"/> Reserved c <input type="checkbox"/> 8885 d <input type="checkbox"/>	73	
74	Add lines 64, 65, 66a, and 67 through 73. These are your total payments	74	20,115.

Refund

Direct deposit? See instructions.

75	If line 74 is more than line 63, subtract line 63 from line 74. This is the amount you overpaid	75	
76a	Amount of line 75 you want refunded to you. If Form 8888 is attached, check here <input type="checkbox"/> 76a		
b	Routing number	c	Type: <input type="checkbox"/> Checking <input type="checkbox"/> Savings
d	Account number		
77	Amount of line 75 you want applied to your 2016 estimated tax	77	

Amount You Owe

78	Amount you owe. Subtract line 74 from line 63. For details on how to pay, see instructions	78	36,016.
79	Estimated tax penalty (see instructions)	79	547.

Third Party Designee

Do you want to allow another person to discuss this return with the IRS (see instructions)? ☒ Yes. Complete below. ☐ No

Designee's name **MARK E. SCHNEITER** Phone no. **(907) 562-4242** Personal identification number (PIN) **16685**

Sign Here

Joint return? See instructions.

Keep a copy for your records.

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Your signature	Date	Your occupation	Daytime phone number
Spouse's signature. If a joint return, both must sign.	Date	Spouse's occupation	If the IRS sent you an Identity Protection PIN, enter it here (see inst.)
		MANAGER	
		HOMEMAKER	

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
MARK E. SCHNEITER		9/27/16		P00016685
Firm's name	Firm's EIN			
SCHNEITER COLE CPA'S, LLC	92-0133869			
Firm's address	Phone no.			
235 EAST 8TH AVE., STE. 3B	(907) 562-4242			
ANCHORAGE, AK 99501				

SCHEDULE B
(Form 1040A or 1040)

Department of the Treasury
Internal Revenue Service (99)

Interest and Ordinary Dividends

► Attach to Form 1040A or 1040.
► Information about Schedule B and its instructions is at www.irs.gov/scheduleb.

OMB No. 1545-0074

2015

Attachment
Sequence No. **08**

Name(s) shown on return

ANDREW L. AND ABBIE M. BAUGH

Your social security number

Part I

Interest

(See
Instructions for
Form 1040A, or
Form 1040,
line 8a.)

Note: If you
received a Form
1099-INT, Form
1099-OID, or
substitute statement
from a brokerage
firm, list the firm's
name as the payer
and enter the total
interest shown on
that form.

- 1** List name of payer. If any interest is from a seller-financed mortgage and the buyer used the property as a personal residence, see instructions on back and list this interest first. Also show that buyer's social security number and address ►

KAANDA LLC
KIONA, LLC
MUNICIPALITY OF ANCHORAGE
TETON, LLC

Amount

457.
1.
1.
1,866.

1

- 2** Add the amounts on line 1.
3 Excludable interest on series EE and I U.S. savings bonds issued after 1989. Attach Form 8815.
4 Subtract line 3 from line 2. Enter the result here and on Form 1040A, or Form 1040, line 8a.

2,325.
3
2,325.

Note: If line 4 is over \$1,500, you must complete Part III.

Part II

Ordinary Dividends

(See
Instructions on
back and the
instructions for
Form 1040A, or
Form 1040,
line 9a.)

Note: If you received
a Form 1099-DIV or
substitute statement
from a brokerage
firm, list the firm's
name as the payer
and enter the
ordinary dividends
shown on that form.

- 5** List name of payer ►

NORDSTROM
THE WALT DISNEY COMPANY

Amount

317.
5.

5

- 6** Add the amounts on line 5. Enter the total here and on Form 1040A, or Form 1040, line 9a.

322.

Note: If line 6 is over \$1,500, you must complete Part III.

You must complete this part if you (a) had over \$1,500 of taxable interest or ordinary dividends; (b) had a foreign account; or (c) received a distribution from, or were a grantor of, or a transferor to, a foreign trust.

Yes No

- 7a** At any time during 2015, did you have a financial interest in or signature authority over a financial account (such as a bank account, securities account, or brokerage account) located in a foreign country? See instructions.
If 'Yes,' are you required to file FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR), to report that financial interest or signature authority? See FinCEN Form 114 and its instructions for filing requirements and exceptions to those requirements.

X

- b** If you are required to file FinCEN Form 114, enter the name of the foreign country where the financial account is located ►

- 8** During 2015, did you receive a distribution from, or were you the grantor of, or transferor to, a foreign trust? If 'Yes,' you may have to file Form 3520. See instructions on back.

X

Part III
Foreign Accounts and Trusts

(See
instructions
on back.)

SCHEDULE C
(Form 1040)

Profit or Loss From Business
(Sole Proprietorship)

OMB No. 1545-0074

2015

Department of the Treasury
Internal Revenue Service (99)

► **Information about Schedule C and its separate instructions is at www.irs.gov/schedulec.**
► **Attach to Form 1040, 1040NR, or 1041; partnerships generally must file Form 1065.**

Attachment
Sequence No. **09**

Name of proprietor

Social security number (SSN)

ANDREW L. BAUGH

B Enter code from instructions
► **531100**

D Employer ID number (EIN), (see instrs)
26-3062509

A Principal business or profession, including product or service (see instructions)
STORAGE SPACE RENTALS

C Business name, if no separate business name, leave blank.
76TH PARK & STORE, LLC

E Business address (including suite or room no.) _____
City, town or post office, state, and ZIP code _____

F Accounting method: (1) ☒ **Cash** (2) ☐ **Accrual** (3) ☐ **Other (specify)** ► _____

G Did you 'materially participate' in the operation of this business during 2015? If 'No,' see instructions for limit on losses. ☒ **Yes** ☐ **No**

H If you started or acquired this business during 2015, check here _____

I Did you make any payments in 2015 that would require you to file Form(s) 1099? (see instructions). ☐ **Yes** ☒ **No**

J If 'Yes,' did you or will you file required Forms 1099? ☐ **Yes** ☐ **No**

Part I Income

1 Gross receipts or sales. See Instructions for line 1 and check the box if this income was reported to you on Form W-2 and the 'Statutory employee' box on that form was checked. <input type="checkbox"/>	1	104,397.
2 Returns and allowances.	2	
3 Subtract line 2 from line 1.	3	104,397.
4 Cost of goods sold (from line 42).	4	
5 Gross profit. Subtract line 4 from line 3.	5	104,397.
6 Other income, including federal and state gasoline or fuel tax credit or refund (see instructions).	6	
7 Gross income. Add lines 5 and 6.	7	104,397.

Part II Expenses. Enter expenses for business use of your home **only** on line 30.

8 Advertising.	8	1,305.	18 Office expense (see Instructions).	18	1,514.
9 Car and truck expenses (see instructions).	9	58.	19 Pension and profit-sharing plans.	19	
10 Commissions and fees.	10		20 Rent or lease (see instructions):		
11 Contract labor (see instructions).	11		a Vehicles, machinery, and equipment.	20 a	
12 Depletion.	12		b Other business property.	20 b	29,106.
13 Depreciation and section 179 expense deduction (not included in Part III) (see instructions).	13	21,611.	21 Repairs and maintenance.	21	27,498.
14 Employee benefit programs (other than on line 19).	14		22 Supplies (not included in Part III).	22	
15 Insurance (other than health).	15	1,013.	23 Taxes and licenses.	23	200.
16 Interest:			24 Travel, meals, and entertainment:		
a Mortgage (paid to banks, etc.).	16 a		a Travel.	24 a	28.
b Other.	16 b	5,697.	b Deductible meals and entertainment (see instructions).	24 b	
17 Legal and professional services.	17	2,075.	25 Utilities.	25	10,250.
28 Total expenses before expenses for business use of home. Add lines 8 through 27a.	28		26 Wages (less employment credits).	26	
29 Tentative profit or (loss). Subtract line 28 from line 7.	29		27 a Other expenses (from line 48).	27 a	9,324.
30 Expenses for business use of your home. Do not report these expenses elsewhere. Attach Form 8829 unless using the simplified method (see instructions). Simplified method filers only: enter the total square footage of: (a) your home: _____ and (b) the part of your home used for business: _____. Use the Simplified Method Worksheet in the instructions to figure the amount to enter on line 30.	30	1,316.	b Reserved for future use.	27 b	
31 Net profit or (loss). Subtract line 30 from line 29. • If a profit, enter on both Form 1040, line 12 (or Form 1040NR, line 13) and on Schedule SE, line 2 . (If you checked the box on line 1, see Instructions). Estates and trusts, enter on Form 1041, line 3 . • If a loss, you must go to line 32.	31	-6,598.			

32 If you have a loss, check the box that describes your investment in this activity (see instructions).

• If you checked 32a, enter the loss on both **Form 1040, line 12**, (or **Form 1040NR, line 13**) and on **Schedule SE, line 2**. (If you checked the box on line 1, see the line 31 instructions). Estates and trusts, enter on **Form 1041, line 3**.

• If you checked 32b, you must attach **Form 6198**. Your loss may be limited.

32 a ☒ All investment is at risk.

32 b ☐ Some investment is not at risk.

Part III Cost of Goods Sold (see instructions)33 Method(s) used to value closing inventory: a ☐ Cost b ☐ Lower of cost or market c ☐ Other (attach explanation)

34 Was there any change in determining quantities, costs, or valuations between opening and closing inventory?

If "Yes," attach explanation

☐ Yes ☐ No

35 Inventory at beginning of year. If different from last year's closing inventory, attach explanation

35

36 Purchases less cost of items withdrawn for personal use

36

37 Cost of labor. Do not include any amounts paid to yourself

37

38 Materials and supplies

38

39 Other costs

39

40 Add lines 35 through 39

40

41 Inventory at end of year

41

42 Cost of goods sold. Subtract line 41 from line 40. Enter the result here and on line 4

42

Information on Your Vehicle. Complete this part **only** if you are claiming car or truck expenses on line 9 and are not required to file Form 4562 for this business. See the instructions for line 13 to find out if you must file Form 4562.

43 When did you place your vehicle in service for business purposes? (month, day, year) ▶

44 Of the total number of miles you drove your vehicle during 2015, enter the number of miles you used your vehicle for:

a Business b Commuting (see instructions) c Other

45 Was your vehicle available for personal use during off-duty hours?

☐ Yes ☐ No

46 Do you (or your spouse) have another vehicle available for personal use?

☐ Yes ☐ No

47 a Do you have evidence to support your deduction?

☐ Yes ☐ No

b If "Yes," is the evidence written?

☐ Yes ☐ No**Part V Other Expenses.** List below business expenses not included on lines 8-26 or line 30.

ACCOUNTING	800.
BANK CHARGES	2,149.
COMPUTER, INTERNET	1,415.
SECURITY	1,200.
TELEPHONE	3,760.
48 Total other expenses. Enter here and on line 27a	9,324.

Schedule C (Form 1040) 2015

SCHEDULE E
(Form 1040)

Department of the Treasury
Internal Revenue Service (99)

Supplemental Income and Loss

(From rental real estate, royalties, partnerships, S corporations, estates, trusts, REMICs, etc.)

► Attach to Form 1040, 1040NR, or Form 1041.
► Information about Schedule E and its separate instructions is at www.irs.gov/schedulee.

OMB No. 1545-0074

2015

Attachment
Sequence No. **13**

Name(s) shown on return

Your social security number

ANDREW L. AND ABBIE M. BAUGH

Part I **Income or Loss From Rental Real Estate and Royalties** Note. If you are in the business of renting personal property, use Schedule C or C-EZ (see instructions). If you are an individual, report farm rental income or loss from Form 4835 on page 2, line 40.

- A** Did you make any payments in 2015 that would require you to file Form(s) 1099? (see instructions) ☐ Yes ☒ No
B If 'Yes,' did you or will you file required Forms 1099? ☐ Yes ☐ No

1 a	Physical address of each property (street, city, state, ZIP code)				
A	4300 ARCTIC #15, ANCHORAGE, AK 99503				
B	GLACIER VALLEY #10, GIRDWOOD, AK 99587				
C	4300 ARCTIC #11, ANCHORAGE, AK 99503				
1 b	Type of Property (from list below)	2	For each rental real estate property listed above, report the number of fair rental and personal use days. Check the QJV box only if you meet the requirements to file as a qualified joint venture. See instructions.	Fair Rental Days	Personal Use Days
A	1	A		133	
B	1	B		365	
C	1	C		133	

Type of Property:

- 1 Single Family Residence 3 Vacation/Short-Term Rental 5 Land 7 Self-Rental
2 Multi-Family Residence 4 Commercial 6 Royalties 8 Other (describe)

Income:	Properties:	A	B	C
3 Rents received	3	32,734.	10,800.	32,643.
4 Royalties received	4			
Expenses:				
5 Advertising	5			
6 Auto and travel (see instructions)	6		524.	
7 Cleaning and maintenance	7			
8 Commissions	8			
9 Insurance	9		336.	
10 Legal and other professional fees	10		815.	
11 Management fees	11			
12 Mortgage interest paid to banks, etc (see instructions)	12			
13 Other interest	13			
14 Repairs	14		518.	
15 Supplies	15		115.	
16 Taxes	16	241.	186.	125.
17 Utilities	17			
18 Depreciation expense or depletion	18	74.	799.	1,408.
19 Other (list) ► SEE STM 6 SEE STM 7 SEE ST 8	19	1,350.	7,113.	1,350.
20 Total expenses. Add lines 5 through 19	20	1,665.	10,406.	2,883.
21 Subtract line 20 from line 3 (rents) and/or 4 (royalties). If result is a (loss), see instructions to find out if you must file Form 6198	21	31,069.	394.	29,760.
22 Deductible rental real estate loss after limitation, if any, on Form 8582 (see instructions)	22			
23 a Total of all amounts reported on line 3 for all rental properties	23 a	158,576.		
b Total of all amounts reported on line 4 for all royalty properties	23 b			
c Total of all amounts reported on line 12 for all properties	23 c			
d Total of all amounts reported on line 18 for all properties	23 d	5,762.		
e Total of all amounts reported on line 20 for all properties	23 e	42,235.		
24 Income. Add positive amounts shown on line 21. Do not include any losses	24			119,087.
25 Losses. Add royalty losses from line 21 and rental real estate losses from line 22. Enter total losses here	25			-2,746.
26 Total rental real estate and royalty income or (loss). Combine lines 24 and 25. Enter the result here. If Parts II, III, IV, and line 40 on page 2 do not apply to you, also enter this amount on Form 1040, line 17, or Form 1040NR, line 18. Otherwise, include this amount in the total on line 41 on page 2	26			116,341.

BAA For Paperwork Reduction Act Notice, see the separate instructions.

FDI22301L 07/31/15

Schedule E (Form 1040) 2015

SCHEDULE E
(Form 1040)**Supplemental Income and Loss**

OMB No. 1545-0074

(From rental real estate, royalties, partnerships, S corporations, estates, trusts, REMICs, etc.)

▶ Attach to Form 1040, 1040NR, or Form 1041.

▶ Information about Schedule E and its separate instructions is at www.irs.gov/schedulee.**2015**Attachment
Sequence No. **13**Department of the Treasury
Internal Revenue Service (99)

Name(s) shown on return

Your social security number

ANDREW L. AND ABBIE M. BAUGH**Part I** **Income or Loss From Rental Real Estate and Royalties** Note. If you are in the business of renting personal property, use Schedule C or C-EZ (see instructions). If you are an individual, report farm rental income or loss from Form 4835 on page 2, line 40.

- A** Did you make any payments in 2015 that would require you to file Form(s) 1099? (see instructions) ☐ Yes ☐ No
- B** If 'Yes,' did you or will you file required Forms 1099? ☐ Yes ☐ No

1 a Physical address of each property (street, city, state, ZIP code)**A** **4300 ARCTIC #18, ANCHORAGE, AK 99503****B** **4300 ARCTIC #25, ANCHORAGE, AK 99503****C** **4300 ARCTIC #33, ANCHORAGE, AK 99503****1 b** Type of Property
(from list below)**2** For each rental real estate property listed above, report the number of fair rental and personal use days. Check the **QJV** box only if you meet the requirements to file as a qualified joint venture. See instructions.**Fair Rental Days****Personal Use Days****QJV****A** **1****A** **133****B** **1****B** **365****C** **1****C** **365****Type of Property:**

- 1 Single Family Residence 3 Vacation/Short-Term Rental 5 Land 7 Self-Rental
2 Multi-Family Residence 4 Commercial 6 Royalties 8 Other (describe)

Income:	Properties:	A	B	C
3 Rents received	3	58,999.	11,400.	12,000.
4 Royalties received	4			
Expenses:	5			
5 Advertising	5			
6 Auto and travel (see instructions)	6		553.	582.
7 Cleaning and maintenance	7			
8 Commissions	8			
9 Insurance	9		354.	373.
10 Legal and other professional fees	10		860.	906.
11 Management fees	11			
12 Mortgage interest paid to banks, etc (see instructions)	12			
13 Other interest	13			
14 Repairs	14		4,132.	844.
15 Supplies	15		121.	128.
16 Taxes	16	651.	121.	
17 Utilities	17		1,144.	1,644.
18 Depreciation expense or depletion	18	1,134.	1,844.	503.
19 Other (list) ▶ <u>SEE STM 9 SEE STM 10 SEE ST 11</u>	19	1,350.	5,017.	5,020.
20 Total expenses. Add lines 5 through 19	20	3,135.	14,146.	10,000.
21 Subtract line 20 from line 3 (rents) and/or 4 (royalties). If result is a (loss), see instructions to find out if you must file Form 6198.	21	55,864.	-2,746.	2,000.
22 Deductible rental real estate loss after limitation, if any, on Form 8582 (see instructions)	22		-2,746.	
23 a Total of all amounts reported on line 3 for all rental properties.	23 a			
b Total of all amounts reported on line 4 for all royalty properties.	23 b			
c Total of all amounts reported on line 12 for all properties.	23 c			
d Total of all amounts reported on line 18 for all properties.	23 d			
e Total of all amounts reported on line 20 for all properties.	23 e			
24 Income. Add positive amounts shown on line 21. Do not include any losses.	24			
25 Losses. Add royalty losses from line 21 and rental real estate losses from line 22. Enter total losses here.	25			
26 Total rental real estate and royalty income or (loss). Combine lines 24 and 25. Enter the result here. If Parts II, III, IV, and line 40 on page 2 do not apply to you, also enter this amount on Form 1040, line 17, or Form 1040NR, line 18. Otherwise, include this amount in the total on line 41 on page 2.	26			

BAA For Paperwork Reduction Act Notice, see the separate instructions.

FDIZ2301L 07/31/15

Schedule E (Form 1040) 2015

Name(s) shown on return. Do not enter name and social security number if shown on Page 1.

Your social security number

ANDREW L. AND ABBIE M. BAUGH

Caution. The IRS compares amounts reported on your tax return with amounts shown on Schedule(s) K-1.**Part III Income or Loss From Partnerships and S Corporations****Note:** If you report a loss from an at-risk activity for which any amount is not at risk, you must check the box in column (e) on line 28 and attach Form 6198. See instructions.

- 27 Are you reporting any loss not allowed in a prior year due to the at-risk, excess farm loss, or basis limitations, a prior year unallowed loss from a passive activity (if that loss was not reported on Form 8582), or unreimbursed partnership expenses? If you answered 'Yes,' see instructions before completing this section. ☐ Yes ☒ No

28	(a) Name	(b) Enter P for partnership; S for S corporation	(c) Check if foreign partnership	(d) Employer identification number	(e) Check if any amount is not at risk
A	SEE STATEMENT 12				
B					
C					
D					

Passive Income and Loss		Nonpassive Income and Loss		
(f) Passive loss allowed (attach Form 8582 if required)	(g) Passive income from Schedule K-1	(h) Nonpassive loss from Schedule K-1	(i) Section 179 expense deduction from Form 4562	(j) Nonpassive income from Schedule K-1
A				
B				
C				
D				
29 a Totals	80,055.			1,818.
b Totals	14,592.			
30 Add columns (g) and (j) of line 29a			30	81,873.
31 Add columns (f), (h), and (i) of line 29b			31	-14,592.
32 Total partnership and S corporation income or (loss). Combine lines 30 and 31. Enter the result here and include in the total on line 41 below.			32	67,281.

Part III Income or Loss From Estates and Trusts

33	(a) Name	(b) Employer ID no.
A		
B		
Passive Income and Loss		Nonpassive Income and Loss
(c) Passive deduction or loss allowed (attach Form 8582 if required)	(d) Passive income from Schedule K-1	(e) Deduction or loss from Schedule K-1
A		
B		
34 a Totals		
b Totals		
35 Add columns (d) and (f) of line 34a		35
36 Add columns (c) and (e) of line 34b		36
37 Total estate and trust income or (loss). Combine lines 35 and 36. Enter the result here and include in the total on line 41 below.		37

Part IV Income or Loss From Real Estate Mortgage Investment Conduits (REMICs) -- Residual Holder

38	(a) Name	(b) Employer identification number	(c) Excess inclusion from Schedules Q, line 2c (see instructions)	(d) Taxable income (net loss) from Schedules Q, line 1b	(e) Income from Schedules Q, line 3b
39	Combine columns (d) and (e) only. Enter the result here and include in the total on line 41 below.				39

Part V Summary

40	Net farm rental income or (loss) from Form 4835. Also, complete line 42 below.	40	
41	Total income or (loss). Combine lines 26, 32, 37, 39, and 40. Enter the result here and on Form 1040, line 17, or Form 1040NR, line 18.	41	183,622.
42	Reconciliation of farming and fishing income. Enter your gross farming and fishing income reported on Form 4835, line 7; Schedule K-1 (Form 1065), box 14, code B; Schedule K-1 (Form 1120S), box 17, code V; and Schedule K-1 (Form 1041), box 14, code F (see instructions).	42	
43	Reconciliation for real estate professionals. If you were a real estate professional (see instructions), enter the net income or (loss) you reported anywhere on Form 1040 or Form 1040NR from all rental real estate activities in which you materially participated under the passive activity loss rules.	43	

2015

FEDERAL STATEMENTS

PAGE 1

CLIENT BAUGH

ANDREW L. AND ABBIE M. BAUGH

9/27/16

08:36AM

STATEMENT 1
FORM 1040
WAGE SCHEDULE

TAXPAYER - EMPLOYER	WAGES	FEDERAL W/H	FICA	MEDI- CARE	STATE W/H	LOCAL W/H
FRONTIER FILMS LLC	7,000.	646.	434.	102.	215.	
TOTAL	7,000.	646.	434.	102.	215.	0.
SPOUSE - EMPLOYER	WAGES	FEDERAL W/H	FICA	MEDI- CARE	STATE W/H	LOCAL W/H
ALASKA WILDLIFE CONSERVATION C	48,362.	4,469.	2,998.	701.		
TOTAL	48,362.	4,469.	2,998.	701.		0.
GRAND TOTAL	55,362.	5,115.	3,432.	803.	215.	0.

STATEMENT 2
FORM 1040, LINE 21
OTHER INCOME

ALASKA PERMANENT FUND DIVIDENDS	\$	4,144.
MUNICIPALITY OF ANCHORAGE		90,840.
REPORTED ON SCHEDULE E		-90,840.
TETON, LLC		79,036.
TETON DISTRIB INCLUDED IN ABOVE		-75,000.
TOTAL	\$	8,180.

STATEMENT 3
SCHEDULE A, LINE 1
MEDICAL AND DENTAL EXPENSES

INSURANCE PREMIUMS FROM SE HEALTH	\$	19,800.
TOTAL	\$	19,800.

STATEMENT 4
SCHEDULE A, LINE 10
HOME MORTGAGE INTEREST REPORTED ON FORM 1098

HOME OFFICE NONBUSINESS ALLOCATION	\$	4,506.
TOTAL	\$	4,506.

STATEMENT 5
SCHEDULE A, LINE 12
DEDUCTIBLE POINTS

AMORTIZATION	\$	103.
TOTAL	\$	103.

2015

FEDERAL STATEMENTS

PAGE 4

CLIENT BAUGHA

ANDREW L. AND ABBIE M. BAUGH

9/27/16

08:36AM

STATEMENT 12
 SCHEDULE E, PAGE 2
 PART II - INCOME OR LOSS FROM PARTNERSHIPS AND S CORPORATIONS

NAME	TYPE	X IF FOREIGN	EMPLOYER I.D. NO.	ANY INVT. NOT AT RISK	PTP	PASSIVE LOSS FROM FORM 8582	PASSIVE INC. FROM SCH. K-1	NONPASSIVE LOSS FROM SCH. K-1	SECTION 179 DEDUCTION	NONPASSIVE INCOME FROM K-1
KAANDA LLC	P		92-0161254			\$	49,615.			
KIONA, LLC	P		55-0857166			\$	14,592.			
TETON, LLC	P		72-1589514				30,440.			
MISC EXPENSE	P		72-1589514							\$ 1,057.
SOLID SHOT LLC	P		47-1064640							761.
TOTAL						\$ 14,592.	\$ 80,055.	\$ 0.	\$ 0.	\$ 1,818.

Exhibit No. 2010
 Page 55 of 82

For the year Jan. 1 - Dec. 31, 2017, or other tax year beginning 2017, ending 20, See separate instructions.

Your first name and initial ANDREW L. BAUGH Last name Your social security number

If a joint return, spouse's first name and initial ABBIE M. BAUGH Last name Spouse's social security number

Home address (number and street), if you have a P.O. box, see instructions. PO BOX 672 Apt. no. Make sure the SSN(s) above and on line 6c are correct.

City, town or post office, state, and ZIP code, if you have a foreign address, also complete spaces below (see instructions). GIRDWOOD, AK 99587

Foreign country name Foreign province/state/country Foreign postal code Presidential Election Campaign

Check here if you, or your spouse if filing jointly, want \$3 to go to this fund. Checking a box below will not change your tax or refund. You Spouse

Filing Status 1 Single 4 Head of household (with qualifying person). (See instructions.) If the qualifying person is a child but not your dependent, enter this child's name here. 2 Married filing jointly (even if only one had income) 5 Qualifying widow(er) (see instructions) 3 Married filing separately. Enter spouse's SSN above & full name here.

Check only one box. Exemptions 6a X Yourself. If someone can claim you as a dependent, do not check box 6a. 6b X Spouse. Boxes checked on 6a and 6b. No. of children on 6c who: 2

c Dependents: (1) First name Last name (2) Dependent's social security number (3) Dependent's relationship to you (4) If child under age 17 qualifying for child tax credit (see instructions) 2

If more than four dependents, see instructions and check here. SLOANE A. BAUGH DAUGHTER X SHILOH BAUGH DAUGHTER X Dependents on 6c not entered above. Add numbers on lines above. 4

d Total number of exemptions claimed. 4

Income 7 Wages, salaries, tips, etc. Attach Form(s) W-2. 7 35,430. 8a Taxable interest. Attach Schedule B if required. 8a 4,101. b Tax-exempt interest. Do not include on line 8a. 8b

9a Ordinary dividends. Attach Schedule B if required. 9a 79. b Qualified dividends. 9b 79.

10 Taxable refunds, credits, or offsets of state and local income taxes. 10 11 Alimony received. 11

12 Business income or (loss). Attach Schedule C or C-EZ. 12 -15,276. 13 Capital gain or (loss). Attach Schedule D if required. If not required, check here. 13 316,918.

14 Other gains or (losses). Attach Form 4797. 14 15a IRA distributions. 15a b Taxable amount. 15b

16a Pensions and annuities. 16a b Taxable amount. 16b

17 Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E. 17 255,294. 18 Farm income or (loss). Attach Schedule F. 18

19 Unemployment compensation. 19 20a Social security benefits. 20a b Taxable amount. 20b

21 Other income. List type and amount. SEE STATEMENT 2. 21 32,200. 22 Combine the amounts in the far right column for lines 7 through 21. This is your total income. 22 628,746.

Adjusted Gross Income 23 Educator expenses. 23 24 Certain business expenses of reservists, performing artists, and fee-basis government officials. Attach Form 2106 or 2106-EZ. 24

25 Health savings account deduction. Attach Form 8889. 25 26 Moving expenses. Attach Form 3903. 26

27 Deductible part of self-employment tax. Attach Schedule SE. 27 1,040. 28 Self-employed SEP, SIMPLE, and qualified plans. 28

29 Self-employed health insurance deduction. 29 30 Penalty on early withdrawal of savings. 30

31a Alimony paid. b Recipient's SSN. 31a 32 IRA deduction. 32

33 Student loan interest deduction. 33 34 Tuition and fees. Attach Form 8917. 34

35 Domestic production activities deduction. Attach Form 8903. 35 36 Add lines 23 through 35. 36 1,040.

37 Subtract line 36 from line 22. This is your adjusted gross income. 37 627,706.

BAA For Disclosure, Privacy Act, and Paperwork Reduction Act Notice, see separate instructions. FDIA0112L 02/22/18 Form 1040 (2017)

Exhibit No. 2011

Page 21 of 66

EXC. 1106

Tax and Credits**Standard Deduction for -**

• People who check any box on line 39a or 39b or who can be claimed as a dependent, see instructions.

• All others:

Single or Married filing separately, \$6,350

Married filing jointly or Qualifying widow(er), \$12,700

Head of household, \$9,350

38	Amount from line 37 (adjusted gross income)	38	627,706.
39a	Check <input type="checkbox"/> You were born before January 2, 1953, <input type="checkbox"/> Blind. <input type="checkbox"/> Total boxes checked > 39a <input type="checkbox"/> If: <input type="checkbox"/> Spouse was born before January 2, 1953, <input type="checkbox"/> Blind.		
b	If your spouse itemizes on a separate return or you were a dual-status alien, check here	39b	<input type="checkbox"/>
40	Itemized deductions (from Schedule A) or your standard deduction (see left margin)	40	19,125.
41	Subtract line 40 from line 38	41	608,581.
42	Exemptions. If line 38 is \$156,900 or less, multiply \$4,050 by the number on line 6d. Otherwise, see instrs	42	0.
43	Taxable income. Subtract line 42 from line 41. If line 42 is more than line 41, enter -0-	43	608,581.
44	Tax (see instructions). Check if any from: a <input checked="" type="checkbox"/> Form(s) 8814 c <input type="checkbox"/> b <input type="checkbox"/> Form 4972	44	131,749.
45	Alternative minimum tax (see instructions). Attach Form 6251.	45	8,056.
46	Excess advance premium tax credit repayment. Attach Form 8962.	46	
47	Add lines 44, 45, and 46	47	139,805.
48	Foreign tax credit. Attach Form 1116 if required	48	
49	Credit for child and dependent care expenses. Attach Form 2441	49	
50	Education credits from Form 8863, line 19	50	
51	Retirement savings contributions credit. Attach Form 8880	51	
52	Child tax credit. Attach Schedule 8812, if required	52	
53	Residential energy credits. Attach Form 5695	53	
54	Other crs from Form: a <input type="checkbox"/> 3800 b <input type="checkbox"/> 8801 c <input type="checkbox"/>	54	
55	Add lines 48 through 54. These are your total credits	55	
56	Subtract line 55 from line 47. If line 55 is more than line 47, enter -0-	56	139,805.
57	Self-employment tax. Attach Schedule SE.	57	2,080.
58	Unreported social security and Medicare tax from Form: a <input type="checkbox"/> 4137 b <input type="checkbox"/> 8919	58	
59	Additional tax on IRAs, other qualified retirement plans, etc. Attach Form 5329 if required	59	
60a	Household employment taxes from Schedule H.	60a	
b	First-time homebuyer credit repayment. Attach Form 5405 if required	60b	
61	Health care: individual responsibility (see instructions) Full-year coverage <input checked="" type="checkbox"/>	61	
62	Taxes from: a <input type="checkbox"/> Form 8959 b <input checked="" type="checkbox"/> Form 8960 c <input type="checkbox"/> Instrs; enter code(s)	62	14,353.
63	Add lines 56 through 62. This is your total tax	63	156,238.

Payments

If you have a qualifying child, attach Schedule EIC.

64	Federal income tax withheld from Forms W-2 and 1099	64	2,520.
65	2017 estimated tax payments and amount applied from 2016 return	65	
66a	Earned income credit (EIC)	66a	
b	Nontaxable combat pay election	66b	
67	Additional child tax credit. Attach Schedule 8812	67	
68	American opportunity credit from Form 8863, line 8	68	
69	Net premium tax credit. Attach Form 8962	69	
70	Amount paid with request for extension to file	70	
71	Excess social security and tier 1 RRTA tax withheld	71	
72	Credit for federal tax on fuels. Attach Form 4136	72	
73	Credits from Form: a <input type="checkbox"/> 2439 b <input checked="" type="checkbox"/> Reserved c <input type="checkbox"/> 8885 d <input type="checkbox"/>	73	
74	Add lines 64, 65, 66a, and 67 through 73. These are your total payments	74	2,520.

Refund

Direct deposit? See instructions.

75	If line 74 is more than line 63, subtract line 63 from line 74. This is the amount you overpaid	75	
76a	Amount of line 75 you want refunded to you. If Form 8888 is attached, check here	76a	
b	Routing number	c	Type: <input type="checkbox"/> Checking <input type="checkbox"/> Savings
d	Account number		
77	Amount of line 75 you want applied to your 2018 estimated tax	77	

Amount You Owe

78	Amount you owe. Subtract line 74 from line 63. For details on how to pay, see instructions	78	157,099.
79	Estimated tax penalty (see instructions)	79	3,381.

Third Party Designee

Do you want to allow another person to discuss this return with the IRS (see instructions)? ☒ Yes. Complete below. ☐ No

Designee's name **MARK E. SCHNEITER** Phone no. **(907) 562-4242** Personal identification number (PIN) **16685**

Sign Here

Joint return? See instructions.

Keep a copy for your records.

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and accurately list all amounts and sources of income I received during the tax year. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Your signature _____ Date _____ Your occupation **MANAGER** Daytime phone number _____

Spouse's signature. If a joint return, both must sign. _____ Date _____ Spouse's occupation **HOMEMAKER** If the IRS sent you an Identity Protection PIN, enter it here (see inst.) _____

Paid Preparer Use Only

Print/Type preparer's name **MARK E. SCHNEITER** Preparer's signature _____ Date **10/09/18** Check ☐ if self-employed PTIN **P00016685**

Firm's name **SCHNEITER & MOAD CPA'S PC** Firm's EIN **92-0133869**

Firm's address **235 EAST 8TH AVE., STE. 3B ANCHORAGE, AK 99501** Phone no. **(907) 562-4242**

FDIA0112L 02/22/18

SEE STATEMENT 3

165,613.

Form 1040 (2017)

EXC. 1107

Exhibit No. 2011
Page 22 of 66

SCHEDULE B
(Form 1040A or 1040)Department of the Treasury
Internal Revenue Service (99)**Interest and Ordinary Dividends**▶ Attach to Form 1040A or 1040.
▶ Go to www.irs.gov/ScheduleB for instructions and the latest information.

OMB No. 1545-0074

2017Attachment
Sequence No. **08**

Name(s) shown on return

ANDREW L. AND ABBIE M. BAUGH

Your social security number

Part I**Interest**(See instructions
and the
instructions for
Form 1040A, or
Form 1040,
line 8a.)Note: If you
received a Form
1099-INT, Form
1099-OID, or
substitute statement
from a brokerage
firm, list the firm's
name as the payer
and enter the total
interest shown on
that form.

- 1 List name of payer. If any interest is from a seller-financed mortgage and the buyer used the property as a personal residence, see the instructions and list this interest first. Also, show that buyer's social security number and address ▶

FIRST MORTGAGE INC-BORCHART #792

FIRST MORTGAGE INC-LINDER #861

FIRST NATIONAL BANK - WILLIAMS #2146

TETON, LLC

Amount

1,732.

574.

1,792.

3.

1

- 2 Add the amounts on line 1

4,101.

- 3 Excludable interest on series EE and I U.S. savings bonds issued after 1989. Attach Form 8815

- 4 Subtract line 3 from line 2. Enter the result here and on Form 1040A, or Form 1040, line 8a. ▶

4,101.

Note: If line 4 is over \$1,500, you must complete Part III.

Amount

Part II**Ordinary
Dividends**(See instructions
and the
instructions for
Form 1040A, or
Form 1040,
line 9a.)Note: If you received
a Form 1099-DIV or
substitute statement
from a brokerage
firm, list the firm's
name as the payer
and enter the
ordinary dividends
shown on that form.

- 5 List name of payer ▶

NORDSTROM

THE WALT DISNEY COMPANY

74.

5.

5

- 6 Add the amounts on line 5. Enter the total here and on Form 1040A, or Form 1040, line 9a. ▶

79.

Note: If line 6 is over \$1,500, you must complete Part III.

Part III**Foreign
Accounts
and Trusts**

(See instructions.)

You must complete this part if you (a) had over \$1,500 of taxable interest or ordinary dividends; (b) had a foreign account; or (c) received a distribution from, or were a grantor of, or a transferor to, a foreign trust.

Yes No

- 7a At any time during 2017, did you have a financial interest in or signature authority over a financial account (such as a bank account, securities account, or brokerage account) located in a foreign country? See instructions

If 'Yes,' are you required to file FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR), to report that financial interest or signature authority? See FinCEN Form 114 and its instructions for filing requirements and exceptions to those requirements.

- b If you are required to file FinCEN Form 114, enter the name of the foreign country where the financial account is located ▶

- 8 During 2017, did you receive a distribution from, or were you the grantor of, or transferor to, a foreign trust? If 'Yes,' you may have to file Form 3520. See instructions.

SCHEDULE C
(Form 1040)

Profit or Loss From Business
(Sole Proprietorship)

OMB No. 1545-0074

2017

Attachment
Sequence No. **09**

Department of the Treasury
Internal Revenue Service (99)

Go to www.irs.gov/ScheduleC for instructions and the latest information.
Attach to Form 1040, 1040NR, or 1041; partnerships generally must file Form 1065.

Name of proprietor ANDREW L. BAUGH		Social security number (SSN) [REDACTED]
A Principal business or profession, including product or service (see instructions) STORAGE SPACE RENTALS		B Enter code from instructions 531100
C Business name, if no separate business name, leave blank. 76TH PARK & STORE, LLC		D Employer ID number (EIN), (see instr.) 26-3062509
E Business address (including suite or room no.) City, town or post office, state, and ZIP code		
F Accounting method: (1) <input checked="" type="checkbox"/> Cash (2) <input type="checkbox"/> Accrual (3) <input type="checkbox"/> Other (specify) _____		
G Did you 'materially participate' in the operation of this business during 2017? If 'No,' see instructions for limit on losses. <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
H If you started or acquired this business during 2017, check here <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
I Did you make any payments in 2017 that would require you to file Form(s) 1099? (see instructions) <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
J If 'Yes,' did you or will you file required Forms 1099? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		

Part I Income

1 Gross receipts or sales. See instructions for line 1 and check the box if this income was reported to you on Form W-2 and the 'Statutory employee' box on that form was checked. <input type="checkbox"/>	1	114,470.
2 Returns and allowances	2	
3 Subtract line 2 from line 1	3	114,470.
4 Cost of goods sold (from line 42)	4	
5 Gross profit. Subtract line 4 from line 3	5	114,470.
6 Other income, including federal and state gasoline or fuel tax credit or refund (see instructions)	6	
7 Gross income. Add lines 5 and 6	7	114,470.

Part II Expenses. Enter expenses for business use of your home only on line 30.

8 Advertising	8	1,196.	18 Office expense (see instructions)	18	137.
9 Car and truck expenses (see instructions)	9		19 Pension and profit-sharing plans	19	
10 Commissions and fees	10		20 Rent or lease (see instructions):		
11 Contract labor (see instructions)	11		a Vehicles, machinery, and equipment	20a	
12 Depletion	12		b Other business property	20b	
13 Depreciation and section 179 expense deduction (not included in Part III) (see instructions)	13	35,494.	21 Repairs and maintenance	21	13,745.
14 Employee benefit programs (other than on line 19)	14		22 Supplies (not included in Part III)	22	
15 Insurance (other than health)	15	1,013.	23 Taxes and licenses	23	31,752.
16 Interest:			24 Travel, meals, and entertainment:		
a Mortgage (paid to banks, etc.)	16a		a Travel	24a	
b Other	16b	7,343.	b Deductible meals and entertainment (see instructions)	24b	15.
17 Legal and professional services	17	10,974.	25 Utilities	25	8,613.
			26 Wages (less employment credits)	26	
			27a Other expenses (from line 48)	27a	18,125.
			b Reserved for future use	27b	
28 Total expenses before expenses for business use of home. Add lines 8 through 27a	28	128,407.			
29 Tentative profit or (loss). Subtract line 28 from line 7	29	-13,937.			
30 Expenses for business use of your home. Do not report these expenses elsewhere. Attach Form 8829 unless using the simplified method (see instructions). Simplified method filers only: enter the total square footage of: (a) your home: _____ and (b) the part of your home used for business: _____. Use the Simplified Method Worksheet in the instructions to figure the amount to enter on line 30	30	1,339.			
31 Net profit or (loss). Subtract line 30 from line 29. • If a profit, enter on both Form 1040, line 12 (or Form 1040NR, line 13) and on Schedule SE, line 2. (If you checked the box on line 1, see instructions). Estates and trusts, enter on Form 1041, line 3. • If a loss, you must go to line 32.	31	-15,276.			

32 If you have a loss, check the box that describes your investment in this activity (see instructions).

• If you checked 32a, enter the loss on both Form 1040, line 12, (or Form 1040NR, line 13) and on Schedule SE, line 2. (If you checked the box on line 1, see the line 31 instructions). Estates and trusts, enter on Form 1041, line 3.

• If you checked 32b, you must attach Form 6198. Your loss may be limited.

32a ☒ All investment is at risk.

32b ☐ Some investment is not at risk.

BAA For Paperwork Reduction Act Notice, see the separate instructions.

FDZ0112L 10/19/17

Schedule C (Form 1040) 2017

Part II Cost of Goods Sold (see instructions)

33 Method(s) used to value closing inventory: a <input type="checkbox"/> Cost b <input type="checkbox"/> Lower of cost or market c <input type="checkbox"/> Other (attach explanation)	
34 Was there any change in determining quantities, costs, or valuations between opening and closing inventory? If 'Yes,' attach explanation	<input type="checkbox"/> Yes <input type="checkbox"/> No
35 Inventory at beginning of year. If different from last year's closing inventory, attach explanation	35
36 Purchases less cost of items withdrawn for personal use	36
37 Cost of labor. Do not include any amounts paid to yourself	37
38 Materials and supplies	38
39 Other costs	39
40 Add lines 35 through 39	40
41 Inventory at end of year	41
42 Cost of goods sold. Subtract line 41 from line 40. Enter the result here and on line 4	42

Part IV Information on Your Vehicle. Complete this part **only** if you are claiming car or truck expenses on line 9 and are not required to file Form 4562 for this business. See the instructions for line 13 to find out if you must file Form 4562.

43 When did you place your vehicle in service for business purposes? (month, day, year) ▶ _____

44 Of the total number of miles you drove your vehicle during 2017, enter the number of miles you used your vehicle for:

a Business _____ **b** Commuting (see instructions) _____ **c** Other _____

45 Was your vehicle available for personal use during off-duty hours? ☐ Yes ☐ No

46 Do you (or your spouse) have another vehicle available for personal use? ☐ Yes ☐ No

47a Do you have evidence to support your deduction? ☐ Yes ☐ No

b If 'Yes,' is the evidence written? ☐ Yes ☐ No

Part V Other Expenses. List below business expenses not included on lines 8-26 or line 30.

BANK CHARGES	1,725.
COMPUTER, INTERNET	1,127.
FUEL	122.
MISCELLANEOUS	150.
POSTAGE	200.
SECURITY	10,094.
TELEPHONE	4,707.
48 Total other expenses. Enter here and on line 27a	48 18,125.

Schedule C (Form 1040) 2017

SCHEDULE E
(Form 1040)Department of the Treasury
Internal Revenue Service (99)**Supplemental Income and Loss**

(From rental real estate, royalties, partnerships, S corporations, estates, trusts, REMICs, etc.)

▶ Attach to Form 1040, 1040NR, or Form 1041.

▶ Go to www.irs.gov/ScheduleE for instructions and the latest information.

OMB No. 1545-0074

2017Attachment
Sequence No. **13**

Name(s) shown on return

Your social security number

ANDREW L. AND ABBIE M. BAUGH**Part I Income or Loss From Rental Real Estate and Royalties** Note: If you are in the business of renting personal property, use Schedule C or C-EZ (see instructions). If you are an individual, report farm rental income or loss from Form 4835 on page 2, line 40.

- A** Did you make any payments in 2017 that would require you to file Form(s) 1099? (see instructions) ☐ Yes ☒ No
- B** If "Yes," did you or will you file required Forms 1099? ☐ Yes ☐ No

1a Physical address of each property (street, city, state, ZIP code)		Fair Rental Days	Personal Use Days	QJV
A	GLACIER VALLEY #10, GIRDWOOD, AK 99587			
B	4300 ARCTIC BLVD #25, ANCHORAGE, AK 99503			
C	4300 ARCTIC BLVD #33, ANCHORAGE, AK 99503			
1b Type of Property (from list below)	2 For each rental real estate property listed above, report the number of fair rental and personal use days. Check the QJV box only if you meet the requirements to file as a qualified joint venture. See instructions.	A		
A	1	B		
B	1	C		
C	1			

Type of Property:

- 1 Single Family Residence 3 Vacation/Short-Term Rental 5 Land 7 Self-Rental
2 Multi-Family Residence 4 Commercial 6 Royalties 8 Other (describe)

Income:	Properties:	A	B	C
3 Rents received	3	8,042.	10,059.	10,950.
4 Royalties received	4			
Expenses:				
5 Advertising	5			
6 Auto and travel (see instructions)	6			
7 Cleaning and maintenance	7			
8 Commissions	8			
9 Insurance	9	216.	216.	216.
10 Legal and other professional fees	10	1,442.	1,442.	1,442.
11 Management fees	11			
12 Mortgage interest paid to banks, etc. (see instructions)	12			
13 Other interest	13			
14 Repairs	14	778.	9,662.	7,056.
15 Supplies	15			
16 Taxes	16	239.	277.	277.
17 Utilities	17	832.	2,608.	1,340.
18 Depreciation expense or depletion	18	674.	922.	257.
19 Other (list) ▶ SEE STM 8 SEE STM 9 SEE ST 10	19	7,858.	4,733.	4,733.
20 Total expenses. Add lines 5 through 19	20	12,039.	19,860.	15,321.
21 Subtract line 20 from line 3 (rents) and/or 4 (royalties). If result is a (loss), see instructions to find out if you must file Form 6198	21	-3,997.	-9,801.	-4,371.
22 Deductible rental real estate loss after limitation, if any, on Form 8582 (see instructions)	22	-3,997.	-9,801.	-4,371.
23a Total of all amounts reported on line 3 for all rental properties	23a	451,204.		
23b Total of all amounts reported on line 4 for all royalty properties	23b			
23c Total of all amounts reported on line 12 for all properties	23c			
23d Total of all amounts reported on line 18 for all properties	23d	24,646.		
23e Total of all amounts reported on line 20 for all properties	23e	269,090.		
24 Income. Add positive amounts shown on line 21. Do not include any losses	24			215,480.
25 Losses. Add royalty losses from line 21 and rental real estate losses from line 22. Enter total losses here.	25			-33,366.
26 Total rental real estate and royalty income or (loss). Combine lines 24 and 25. Enter the result here. If Parts II, III, IV, and line 40 on page 2 do not apply to you, also enter this amount on Form 1040, line 17, or Form 1040NR, line 18. Otherwise, include this amount in the total on line 41 on page 2	26			182,114.

BAA For Paperwork Reduction Act Notice, see the separate instructions.

FDIZ2301L 10/23/17

Schedule E (Form 1040) 2017

SCHEDULE E
(Form 1040)

Department of the Treasury
Internal Revenue Service (99)

Supplemental Income and Loss

(From rental real estate, royalties, partnerships, S corporations, estates, trusts, REMICs, etc.)

► Attach to Form 1040, 1040NR, or Form 1041.

► Go to www.irs.gov/ScheduleE for instructions and the latest information.

OMB No. 1545-0074

2017

Attachment
Sequence No. **13**

Name(s) shown on return

Your social security number

ANDREW L. AND ABBIE M. BAUGH

Part I Income or Loss From Rental Real Estate and Royalties Note: If you are in the business of renting personal property, use Schedule C or C-EZ (see instructions). If you are an individual, report farm rental income or loss from Form 4835 on page 2, line 40.

- A** Did you make any payments in 2017 that would require you to file Form(s) 1099? (see instructions) ☐ Yes ☐ No
B If "Yes," did you or will you file required Forms 1099? ☐ Yes ☐ No

1a Physical address of each property (street, city, state, ZIP code)
A **4300 ARCTIC BLVD SPC #58, ANCHORAGE, AK 99503**
B **4300 ARCTIC BLVD, ANCHORAGE, AK 99503**
C

1b Type of Property (from list below)	2 For each rental real estate property listed above, report the number of fair rental and personal use days. Check the QJV box only if you meet the requirements to file as a qualified joint venture. See instructions.	Fair Rental Days	Personal Use Days	QJV
A 1	A			
B 4	B			
C	C			

Type of Property:

- 1 Single Family Residence 3 Vacation/Short-Term Rental 5 Land 7 Self-Rental
2 Multi-Family Residence 4 Commercial 6 Royalties 8 Other (describe)

Income:	Properties:	A	B	C
3 Rents received	3		422,153.	
4 Royalties received	4			
Expenses:				
5 Advertising	5			
6 Auto and travel (see instructions)	6			
7 Cleaning and maintenance	7		5,552.	
8 Commissions	8			
9 Insurance	9		2,048.	
10 Legal and other professional fees	10		10,233.	
11 Management fees	11		40,800.	
12 Mortgage interest paid to banks, etc. (see instructions)	12			
13 Other interest	13			
14 Repairs	14	13,286.	1,914.	
15 Supplies	15			
16 Taxes	16		22,107.	
17 Utilities	17	211.	83,016.	
18 Depreciation expense or depletion	18		22,793.	
19 Other (list) ► <u>SEE STM 11 SEE STM 12</u>	19	1,700.	18,210.	
20 Total expenses. Add lines 5 through 19	20	15,197.	206,673.	
21 Subtract line 20 from line 3 (rents) and/or 4 (royalties). If result is a (loss), see instructions to find out if you must file Form 6798	21	-15,197.	215,480.	
22 Deductible rental real estate loss after limitation, if any, on Form 8582 (see instructions)	22	-15,197.		
23a Total of all amounts reported on line 3 for all rental properties	23a			
b Total of all amounts reported on line 4 for all royalty properties	23b			
c Total of all amounts reported on line 12 for all properties	23c			
d Total of all amounts reported on line 18 for all properties	23d			
e Total of all amounts reported on line 20 for all properties	23e			
24 Income. Add positive amounts shown on line 21. Do not include any losses	24			
25 Losses. Add royalty losses from line 21 and rental real estate losses from line 22. Enter total losses here	25			
26 Total rental real estate and royalty income or (loss). Combine lines 24 and 25. Enter the result here. If Parts II, III, IV, and line 40 on page 2 do not apply to you, also enter this amount on Form 1040, line 17, or Form 1040NR, line 18. Otherwise, include this amount in the total on line 41 on page 2.	26			

BAA For Paperwork Reduction Act Notice, see the separate instructions.

FDIZ2301L 10/23/17

Schedule E (Form 1040) 2017

Name(s) shown on return. Do not enter name and social security number if shown on Page 1.

Your social security number

ANDREW L. AND ABBIE M. BAUGH

Caution: The IRS compares amounts reported on your tax return with amounts shown on Schedule(s) K-1.

Income or Loss From Partnerships and S Corporations

Note: If you report a loss from an at-risk activity for which any amount is not at risk, you must check the box in column (e) on line 28 and attach Form 6198. See instructions.

- 27 Are you reporting any loss not allowed in a prior year due to the at-risk, excess farm loss, or basis limitations, a prior year unallowed loss from a passive activity (if that loss was not reported on Form 8582), or unreimbursed partnership expenses? If you answered "Yes," see instructions before completing this section. ☐ Yes ☒ No

28	(a) Name	(b) Enter P for partnership; S for S corporation	(c) Check if foreign partnership	(d) Employer identification number	(e) Check if any amount is not at risk
A	KIONA, LLC	P		55-0857166	
B	TETON, LLC	P		72-1589514	
C	SOLID SHOT LLC	P		47-1064640	
D					

Passive Income and Loss			Nonpassive Income and Loss		
(f) Passive loss allowed (attach Form 8582 if required)	(g) Passive income from Schedule K-1	(h) Nonpassive loss from Schedule K-1	(i) Section 179 expense deduction from Form 4562	(j) Nonpassive income from Schedule K-1	
A	13,741.				
B		86,921.			
C					
D					
29a Totals		86,921.			
b Totals	13,741.				
30 Add columns (g) and (j) of line 29a			30	86,921.	
31 Add columns (f), (h), and (i) of line 29b			31	-13,741.	
32 Total partnership and S corporation income or (loss). Combine lines 30 and 31. Enter the result here and include in the total on line 41 below.			32	73,180.	

Part III Income or Loss From Estates and Trusts

33	(a) Name	(b) Employer ID no.
A		
B		
Passive Income and Loss		Nonpassive Income and Loss
(c) Passive deduction or loss allowed (attach Form 8582 if required)	(d) Passive income from Schedule K-1	(e) Deduction or loss from Schedule K-1
A		
B		
34a Totals		
b Totals		
35 Add columns (d) and (f) of line 34a		35
36 Add columns (c) and (e) of line 34b		36
37 Total estate and trust income or (loss). Combine lines 35 and 36. Enter the result here and include in the total on line 41 below.		37

Part IV Income or Loss From Real Estate Mortgage Investment Conduits (REMICs) – Residual Holder

38	(a) Name	(b) Employer identification number	(c) Excess inclusion from Schedules Q, line 2c (see instructions)	(d) Taxable income (net loss) from Schedules Q, line 1b	(e) Income from Schedules Q, line 3b
39	Combine columns (d) and (e) only. Enter the result here and include in the total on line 41 below.				39

Part V Summary

40	Net farm rental income or (loss) from Form 4835. Also, complete line 42 below.	40	
41	Total income or (loss). Combine lines 26, 32, 37, 39, and 40. Enter the result here and on Form 1040, line 17, or Form 1040NR, line 18.	41	255,294.
42	Reconciliation of farming and fishing income. Enter your gross farming and fishing income reported on Form 4835, line 7; Schedule K-1 (Form 1065), box 14, code B; Schedule K-1 (Form 1120S), box 17, code V; and Schedule K-1 (Form 1041), box 14, code F (see instructions).	42	
43	Reconciliation for real estate professionals. If you were a real estate professional (see instructions), enter the net income or (loss) you reported anywhere on Form 1040 or Form 1040NR from all rental real estate activities in which you materially participated under the passive activity loss rules.	43	

2017

FEDERAL STATEMENTS

PAGE 1

CLIENT BAUGHA

ANDREW L. AND ABBIE M. BAUGH

10/09/18

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**STATEMENT 1
FORM 1040
WAGE SCHEDULE**

SPOUSE - EMPLOYER	WAGES	FEDERAL W/H	FICA	MEDI- CARE	STATE W/H	LOCAL W/H
ALASKA WILDLIFE CONSERVATION CENTER	35,430.	2,520.	2,197.	512.		
GRAND TOTAL	<u>35,430.</u>	<u>2,520.</u>	<u>2,197.</u>	<u>512.</u>	<u>0.</u>	<u>0.</u>

**STATEMENT 2
FORM 1040, LINE 21
OTHER INCOME**

ALASKA PERMANENT FUND DIVIDENDS	\$	2,200.
TETON , LLC		30,000.
TOTAL	\$	<u>32,200.</u>

**STATEMENT 3
FORM 1040, PAGE 2
PENALTIES**

TAX DUE BEFORE PENALTIES	\$	157,099.
LATE PAYMENT		4,612.
INTEREST		3,902.
GRAND TOTAL TAX DUE	\$	<u>165,613.</u>

**STATEMENT 4
SCHEDULE A, LINE 1
MEDICAL AND DENTAL EXPENSES**

DOCTORS, DENTISTS, AND NURSES	\$	1,858.
TOTAL	\$	<u>1,858.</u>

**STATEMENT 5
SCHEDULE A, LINE 10
HOME MORTGAGE INTEREST REPORTED ON FORM 1098**

HOME OFFICE NONBUSINESS ALLOCATION	\$	3,920.
TOTAL	\$	<u>3,920.</u>